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The brilliant liftoff of the space shuttle Challenger made silhouettes of photographers.

Shuttle Launch Turns Nighttime to Day

By Thomas O'Toole
Washington Post Service

CAPE CANAVERAL, Fla. — The space shuttle Challenger, its brilliant liftoff turning nighttime into day, carried five men into space early Tuesday to start a six-day mission marking several firsts for the American space program.

Included in the crew of this eighth shuttle launch were the first black astronaut and the oldest astronaut. Moreover, no other shuttle has lifted off in darkness or landed in it, as Challenger is expected to do next Monday.

After thunderstorms and vivid lightning moved away from nearby beaches and out to sea shortly before midnight, Challenger's three main engines provided their own spectacular light show as the shuttle rose from Launch Pad 39A at 7:32 A.M., 17 minutes after the planned liftoff time.

Trailing the 110-ton spacecliner was a long, brilliant trail of orange flame that, under optimum conditions, may have been visible in several states and for about 500 miles

(800 kilometers), as far north as South Carolina and beyond Cuba to the south.

For almost three hours before the crew finished entering the shuttle at 12:15 A.M., flight directors were concerned that the thunderstorms, which moved as close as five miles from the launch pad, might further delay the mission.

If lightning is sighted within five miles of the pad, launch directives state clearly that liftoff is to be postponed along with loading of the explosive hydrogen and oxygen fuels that power the shuttle's main engines. Lightning rods protected Challenger and its launch pad.

Commenting this third flight by Challenger is Captain Richard H. Truly of the U.S. Navy, co-pilot of the second shuttle mission two years ago.

Captain Truly's crew mates are the pilot, Commander Daniel C. Brandenstein of the navy, and three mission specialists: Lieutenant Commander Dale A. Gardner of the navy; Dr. William E. Thornton, a civilian; and Lieutenant Colonel Guion S. Bluford 2d of the air force.

Colonel Bluford is the nation's first black astronaut to be sent into space, while Dr. Thornton, 54, is the oldest American to be sent.

The first U.S. manned launch at night was on Dec. 7, 1972, when Apollo 17 lifted off here for the moon shortly after midnight. That liftoff was visible to residents of the Great Smoky Mountains, more than 500 miles away.

The current mission is a night flight for three reasons.

Challenger is carrying in its cargo bay a \$43-million satellite for the government of India that is to forecast India's weather, broadcast radio and television and carry telephone calls to and from as many as 100,000 cities and villages throughout the subcontinent. To be positioned properly over India near the Equator, the satellite must be launched in space in the middle of the night about 25 hours after liftoff.

The complexities of orbital mechanics, and Earth's rotation, dictate that the shuttle be launched at night if the satellite is to be located correctly.

• The National Aeronautics and

Space Administration wants to demonstrate that it can launch a shuttle at night, particularly from the Kennedy Space Center, where the weather is frequently more favorable at night than during the day.

Perhaps most important, the Pentagon, the shuttle's major customer in years ahead, wants NASA to demonstrate night launches because it may want to use the shuttle on a military mission on short notice. Challenger's landing is planned for 12:23 A.M. local time Monday at Edwards Air Force Base in California's Mojave Desert.

That would be the first planned night landing attempted by a manned spacecraft, and is scheduled for some of the same reasons that the night launch is being made. For the first time, the public will not be allowed to witness a shuttle landing. NASA is concerned that hundreds of moving automobiles with headlights might confuse the shuttle pilots as they guide Challenger out of total darkness on instruments toward a floodlit concrete runway at a landing speed of more than 300 miles an hour.

U.S. Marines Again Attacked As Beirut Fighting Continues

Compiled by Our Staff From Dispatches

BEIRUT — U.S. marines battled Muslim militiamen around Beirut airport for the second day Tuesday, and hundreds of Lebanese Army troops were reported locked in fierce combat with Druze militiamen entrenched in the 25-story Holiday Inn. Explosions thundered across the city.

State and private radios said the Lebanese soldiers landed by boat and helicopter at the beachside Cadmos Hotel to protect U.S. Embassy personnel and Green Beret advisers living in the building. The broadcasts said the Lebanese then moved up to the Holiday Inn, which the Druze retook earlier in the day and from which they threatened to attack the Cadmos.

The U.S. aircraft carrier Dwight D. Eisenhower, carrying about 90 jet fighters, and a destroyer escort, armed with guided missiles, moved closer to the coast to support the marines at the airport, where two marines were killed 24 hours earlier.

There were no immediate reports of marine casualties Tuesday, but three French soldiers of the multinational peacekeeping force were killed and four wounded. Two died and two were wounded in a shelling attack on the French Embassy, and a Foreign Legionnaire was killed and two were wounded at a mid-city crossing point, officials said. A paramilitary guard at the embassy also was killed.

British peacekeeping forces also came under attack for the first time, in the same area where the French Legionnaires were hit, near the Galerie Semaan crossing point. No British casualties were reported.

U.S. marine positions at the airport came under militia fire at 4:55 P.M. and the marines fought back with machine-gun and rifle fire, said a spokesman. Warrant Officer Charles Rowe, he said, the marines began receiving "rocket, mortar and artillery fire near our positions. Twenty-five shells landed near our positions in the span of one hour."

Another marine spokesman, Major Robert Jordan, said the U.S. troops fired 15mm anti-aircraft rounds from 15mm artillery in southern and eastern districts around the airport and sent up Cobra helicopter gunships. But he denied reports



The bodies of two victims of an artillery attack on the French Embassy in Beirut Tuesday being taken away in an ambulance. Heavy fighting has now spread to center of the city.

that the gunships rocketed Shiite militia positions in the Shiite Muslim stronghold of Bouj el-Barajneh.

Major Jordan said the airport fighting lasted about 90 minutes. The Cadmos Hotel is about four miles (6.4 kilometers) north of the airport. Lebanese radios said President Amin Gemayel ordered his army to land just 400 yards (364 meters) from other U.S. marines guarding the six-story building that houses most U.S. Embassy personnel and a number of Green Berets. The embassy personnel have been quartered in a number of hotels and other buildings in West Beirut since the embassy building was blown up in a bomb attack April 18.

Druze militiamen who support the Shiite Muslim fighters had threatened earlier in the day to attack the Lebanese Army contingent guarding the hotel in the largely Druze-occupied Ein Meisassa neighborhood of West Beirut, which includes the U.S., British and other foreign embassies.

Neighborhood residents said the trouble started when Lebanese troops were taken by helicopter to the hotel. The Druze thought they had an understanding with the Americans that only U.S. marines would be sent to the hotel to provide security for the Americans there.

The French Legionnaires, riding in a water truck, were hit early in the day by a "medium- or large-caliber projectile" at the Galerie Semaan crossing point between East and West Beirut, according to Major Alain de Lestrade, spokesman for the French contingent of the 5,400-man peacekeeping force.

A short time later and in almost the same place, Muslim militiamen sprayed rifle fire and rocket-propelled grenades on a British patrol led by Colonel David Roberts, commander of the 100-man British unit in the multinational force. He said none of his men was hit.

Six Lebanese soldiers died in local hospitals of wounds received in the last three days of fighting, Po-

lice said that brought the casualty toll since Sunday to 51 killed and 219 wounded. Among the dead were the two U.S. marines killed Monday in a mortar barrage at Beirut airport. Among the wounded were 14 marines, an Italian sergeant and 70 Lebanese soldiers.

In Damascus, Walid Jumblatt, the Druze leader, threatened "all-out support" for Amal, Lebanon's biggest Shiite Muslim militia. The Druze, who have been battling Christian militiamen in the mountains above the capital for months, had been supporting Amal with sporadic artillery barrages on Beirut from the hills since the fighting began Sunday.

In the street fighting, leftist and Muslim groups attacked the prime minister's office with rocket-propelled grenades and automatic-fire fire. Prime Minister Shafiq al-Wazzan was not in his office when it was attacked but was conferring with Sunni and Shiite Muslim leaders at a house elsewhere, radio stations reported.

Manila Identifies Man It Claims Killed Aquino

By William Chapman
Washington Post Service

MANILA — The Philippine military said Tuesday night that it has identified the assassin of Benigno S. Aquino Jr., the opposition leader, as a "notorious killer" who may have been used in the past by organized crime or subversive groups.

The announcement came nine days after Mr. Aquino was shot to death at Manila International Airport. It provided no clues as to who the killer might have represented or why he committed the assassination.

A brief announcement said the killer was Rolando Galman y Dawson, who lived in the small town of San Miguel in Bulacan province.

It said paraffin tests on Mr. Dawson's hands showed he had fired the .357-caliber Magnum pistol that the police say was used to kill Mr. Aquino when he stepped off an airplane under guard as he returned from exile in the United States.

The man now identified as Mr. Galman in the government's account was immediately shot to death by security guards and his identity had remained a mystery.

The Sunday Times of London identified the assassin last weekend as Rolando Vicensa, a former member of the presidential guard.

Many Filipinos were convinced of some form of government com-

licity in the death of the man who was a longtime opponent of President Ferdinand E. Marcos. Mr. Marcos has denied that anyone in the government had anything to do with the assassination.

Major General Prospero Olivas, who is in charge of the investigation, said the authorities had reached a "definite conclusion" that the man was Mr. Galman.

"The assailant is a notorious killer, a gun for hire," General Olivas said, "and has reportedly been used by various elements, including organized crime or by subversive elements, possibly for individual vengeance or possibly for armed robbery, carjacking, hijacking, bank holdups or kidnapping for ransom."

Meanwhile, Cardinal Jaime L. Sin, the Roman Catholic archbishop of Manila, appealed for national reconciliation and warned that pent-up anger over Mr. Aquino's slaying may turn into violence.

Cardinal Sin said the assassination had left people "angry and restless and there are ugly undercurrents that threaten us all."

The cardinal's statement gave voice to the fears of many Filipinos that the funeral services planned for Mr. Aquino on Wednesday may result in violence.

Mr. Aquino's body has been viewed by hundreds of thousands of his supporters, in Manila and in his native province of Tarlac, and

(Continued on Page 2, Col. 3)



Prime Minister Menachem Begin leaving office in Jerusalem after telling government officials of decision to step down.

Begin Confirms He'll Quit; Party Seeks Successor

By Edward Walsh
Washington Post Service

JERUSALEM — After a dramatic two-day delay, Prime Minister Menachem Begin formally announced his resignation Tuesday, but he agreed to postpone the legal step that will make it final to allow his political colleagues to settle on a successor.

Mr. Begin, who was quoted as

having said, "I cannot continue," made known what was described as his irrevocable decision to the cabinet and other political leaders in a meeting of more than two hours in his office. But at the request of the cabinet, Mr. Begin delayed, at least for a day, the submission of his letter of resignation to President Chaim Herzog as required by Israeli law.

On Tuesday night, cabinet ministers from Mr. Begin's political party, Herut, met in an attempt to designate a successor who could hold together the six-party government coalition. The successor was thought most likely to be Foreign Minister Yitzhak Shamir, who, according to some sources, had already reached an understanding with his principal party rival, Dep-

uty Prime Minister David Levy. Mr. Levy, however, said in a radio interview, "I understand there will be more than one candidate" to succeed Mr. Begin. The prime minister did not express a preference on his successor in the meeting.

Mr. Begin's resignation decision ended 48 hours of high political (Continued on Page 2, Col. 5)

Israel Is Said to Accept Delay in Troop Pullback

New York Times Service

JERUSALEM — Prime Minister Menachem Begin was reported Tuesday to have agreed, at the personal request of President Ronald Reagan, to postpone for a few more days the partial withdrawal of the Israeli Army from Lebanon's Chief Mountains. It was the second postponement in a week.

A well-placed Israeli official said that Mr. Reagan's request was conveyed by his special Middle East envoy, Robert C. McFarlane, during a meeting Tuesday morning at the prime minister's office. Mr. McFarlane asked for the delay in the hope of arranging an agreement between Druze leaders and the Lebanese government that would permit the Lebanese Army to move into abandoned Israeli positions without being attacked by Druze Muslim militiamen.

Although no date for the pullback had been announced, it was apparently scheduled for Tuesday or Wednesday, after having been postponed from Sunday. Israeli photographers were escorted by the army into Lebanon Tuesday in preparation for the withdrawal. Israeli officials stressed that they would not put it off much longer.

In the Chief Mountains, fighting has flared between Druze and Christian factions in recent months, with Israeli troops mediating and intervening in an effort to hold down the combat. But the Druze, led by Walid Jumblatt, tend to see the Lebanese Army as a vehicle of expanded Christian influence. The fear is that the Israeli withdrawal from the mountains (Continued on Page 2, Col. 3)

Marcos Followers Widely Suspected of Plotting Assassination

By Colin Campbell
New York Times Service

MANILA — Since the murder of Benigno S. Aquino Jr., there has been skepticism about the government's contention that it had nothing to do with the killing.

It may not be surprising, given this country's well-developed cynicism toward politics, that many Filipinos say flatly that President Ferdinand E. Marcos lies behind the assassination.

What is surprising is the way in which Filipino lawyers, journalists and businessmen have been speculating privately that one group or person among Mr. Marcos's friends and military officers may have plotted the killing.

Many foreign diplomats here agree. Half a dozen senior Western and Asian diplomats who were interviewed in recent days said that although Mr. Marcos himself was an unlikely suspect, some of those around him, who may hope to succeed the

65-year-old president, were possible suspects.

Five of the six diplomats, in fact, suggested that Mr. Aquino had been killed as a result of a high-level conspiracy. They all admitted that their theories were based on no hard evidence. Yet such suggestions from such professional analysts, all representing

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governments on cordial terms with the Marcos regime, are among the problems the government now faces.

Monday produced more expressions of what could be termed doubt about the official version of events:

• A former Supreme Court justice, J.B.L. Reyes, refused Mr. Marcos's appointment to a special commission of inquiry into the killing of Mr. Aquino.

• The headlines Monday morning in several Manila newspapers warned against pub-

lic violence and reported that the police were preparing special measures for Mr. Aquino's funeral on Wednesday.

• The government television station quoted the deputy governor of the central bank as having assured the public that the bank was capable of handling any and all problems involving "withdrawals" from commercial banks.

The Marcos government, it appears, has gone on the defensive.

There has been some speculation from both foreign and Filipino sources over why anyone would have wanted to kill Mr. Aquino, although any group from the far left to the far right who wanted to put Mr. Marcos on the defensive could have benefited from Mr. Aquino's death.

If it is on the defensive, the government must convince the public that it is innocent. To do so, it must answer the questions that 10 days after the death of Mr. Aquino are left unanswered.

Last Friday, for example, Major General

Prospero Olivas, the chief investigator, told reporters that detailed questions concerning Mr. Aquino's removal from the airplane on which he had returned from the United States should be addressed to General Lucio Custodio. General Custodio is commander of the Aviation Security Command, which supplied the guard that accompanied Mr. Aquino from the plane.

A few minutes later, however, General Olivas told reporters that General Custodio had been placed under confinement along with 14 soldiers who had been assigned to guard Mr. Aquino. Those soldiers are believed to be witnesses to the assassination, which took place immediately after Mr. Aquino left the plane. The government has said practically nothing about what those soldiers may have seen or known.

Probably the major question still left unanswered is how the purported assassin came to meet the right plane at the right time when it was not publicly known exactly when or how Mr. Aquino was returning.

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Medical Aid Is Lacking For Soldiers in Chad

Many Injured Die Without First Aid, Some May Wait 5 Days for Treatment

By Michael Goldsmith
The Associated Press

NDJAMENA, Chad — To be wounded in Chad's civil war can mean almost certain death.

Only the most primitive medical facilities are available in this hot, desolate country where Libyan-backed rebels are trying to topple the government of President Hissène Habré. Many of the injured die before receiving any kind of treatment.

Chadian soldiers seriously hurt in the battle for the northern outpost of Faya-Largeau were flown to the Ndjamena Hospital, a run-down group of buildings in the heart of the capital.

"They lay in the 122-degree heat for up to five days without any kind of first aid before being evacuated," said Lieutenant Commander René Jancovici, a French Navy doctor who is the only trained surgeon practicing in Ndjamena.

"I received 223 seriously hurt soldiers with all kinds of head, chest and limb injuries.

"But there was not a single abdominal injury among them, because anyone unfortunate enough to be struck in the abdomen in that heat and filth and without medical attention was dead within hours."

The hospital itself is not a model of hygiene. Floors are smashed and unusable. Files and malaria-bearing mosquitoes hover over trash and excrement in the yard.

There are not enough beds for the hundreds of patients and many people, including those headed for the maternity ward, sleep on straw mats in the corridors or in the open.

Many of the military casualties from Faya-Largeau had injuries caused by pellet fragmentation

and phosphorus bombs dropped in dive-bombing attacks by the Libyan Air Force, Commander Jancovici said.

"The phosphorus bombs are particularly vicious," he said. "They continue to burn long after the fire is put out, searing into the skin as long as it remains in contact with oxygen."

Mohamed Alifa, 20, was blinded and crippled by such a bomb. Three weeks after being burned, he lies in agony from the effects of the phosphorus.

"We think he will survive," Commander Jancovici said. "Most of these people never had any kind of medical treatment before in their lives, so their systems are not immunized to antibiotics by years of abuse at the hands of modern medicine. Antibiotics work wonders here."

The wounds of every battle casualty brought to the hospital were badly infected, Commander Jancovici said.

"Four of them had amputations which they had performed on themselves—for example, of gangrenous open fractures—without anesthesia, instruments or help of any kind," he said.

Recently arrived is Captain André Ribes, a marine pharmacist who is reopening the hospital's biological laboratory, destroyed in the civil war three years ago.

"Until now, we had no way of making an analysis," Commander Jancovici said. "For operations, I used my intuition and my sense of smell."

Antoine Nadige, who drove a fully loaded gasoline truck through Faya-Largeau during the final Libyan onslaught, is recovering, de-



Commander René Jancovici treats a soldier taken to Ndjamena after being wounded in the battle for Faya-Largeau.

spite burns over 90 percent of his body.

"There were two army tankers with the garrison's last gasoline supplies," he recalled. "The MIGs came at us again and again, firing rockets and machine guns, until they blew us up."

Mr. Nadige, 30, was the only survivor among a dozen soldiers on the trucks, he said.

Commander Jancovici was struck by the fact that he received no civilian casualties from Faya-Largeau.

"Only soldiers had a right to evacuation," he said. "Heaven knows what happened to the civilians. Many must have been hurt in the dive-bombing."

At the hospital, Commander Jancovici often has trouble with government troops insisting on pri-

ority treatment for soldiers, even when more urgent civilian cases are awaiting emergency operations.

"In Chad, the soldiers always come first," he said.

■ **Habré Offers Pact**

Mr. Habré offered Tuesday to conclude a "reciprocal nonaggression pact" with the Libyan leader, Moammar Qadhafi, once all Libyan troops have been withdrawn from Chad, The Associated Press reported from Ndjamena.

But he predicted that nothing short of military defeat would make the Libyans leave.

In a news conference, he flatly rejected a proposal by President François Mitterrand of France for a federation between Chad's government-held south and the rebel and Libyan-held north, saying it amounted to partition.

Poland Refuses Walesa Permission to Speak at Solidarity Rally Today

The Associated Press

WARSAW — The labor leader, Lech Walesa, bowed Tuesday to a government ban on his plans to hold a Solidarity anniversary rally Wednesday, but said he would lay a wreath at a monument to workers.

A government spokesman, Jerzy Urban, told reporters that the government refused Mr. Walesa's application to speak outside the Lenin Shipyard in Gdansk on the third anniversary of the agreement that formed the Soviet bloc's first unions independent of Communist Party control.

Mr. Urban said that government security forces would move to block demonstrations by Solidarity supporters, but the authorities said workers would be allowed to lay wreaths at a monument near the gates of the shipyard.

"The government hopes that there will be no demonstrations," Mr. Urban added. "The security measures that have been taken are sufficient to ensure peace."

Mr. Walesa, an electrician at the shipyard, said he would not provoke a confrontation with the government over the rally, but said he would stick with his plans to lay a wreath.

"There are a lot of us, so we don't need a demonstration of force," he said.

Earlier, he was reported by the Vienna news magazine *Wochenpost* as saying: "This form of struggle is not appropriate right now. I am against street battles."

Underground Solidarity leaders have called for marches and a rush-hour boycott of public transport.

Army, police and government officials held a strategy meeting in Gdansk, and a Communist Party secretary, Edward Kijak, warned that any attempt to disrupt government-organized commemorations "will be treated as provocative activity aimed at breaching the peace, and will meet with determined opposition, together with all the legal consequences."

Mr. Urban said that representatives of quasi-official organizations and the shipyard management would place wreaths at the workers' monument outside the yard during official ceremonies marking the anniversary.

All lead rather isolated lives in what once was a prized, peaceful and relatively undisturbed post.

The United States refuses to recognize the government of Babrak Karmal, but continues to recognize Afghanistan as a country, which is why the United States maintains an embassy there.

"The Afghans are willing to have us there because our presence lends a degree of legitimacy to their government," Mr. Dumbiar said.

(The writer was The Washington Post correspondent in South Asia until last summer.)

Officials in Warsaw also took steps to curb potential unrest Wednesday, convening their own "defense committee" and showering at least one major factory, the Warsaw steel mill, with leaflets urging workers to ignore the Solidarity call.

The government media's campaign to discourage support for Solidarity included a three-hour broadcast Monday night of a confrontation last Thursday inside the Lenin Shipyard between Mr. Walesa and Deputy Prime Minister Mieczyslaw Rakowski.

Mr. Walesa was enthusiastically applauded for a 10-minute speech at the meeting, attended by about 1,000 workers, and later was carried from the yard to the Solidarity monument on the shoulders of his supporters, witnesses said.

The television report replayed Mr. Walesa's speech, but did not show him being carried off by supporters. It concentrated on Mr. Rakowski's condemnation of Solidarity and Mr. Walesa, and his frequent exchanges with hecklers.

Solidarity's plans for demonstrations are known to include marches by workers in Warsaw and Nowa Huta, an industrial suburb of Krakow. The last Solidarity call for a protest resulted in demonstrations in more than 20 cities.

Soviet Leader Explains New Plan on Arms

By William Drozdiak
Washington Post Service

BONN — President Yuri V. Andropov of the Soviet Union has dispatched letters to several West European leaders explaining his latest arms-control proposals and declaring that the next round of Geneva negotiations on medium-range nuclear missiles will be decisive.

The West German government spokesman, Peter Bönisch, said Tuesday that Mr. Andropov reiterated his recent offer to destroy some SS-20 rockets to match the level of 162 land- and sea-based missiles deployed by France and Britain.

Mr. Bönisch said the letter and a copy of a Pravda interview with Mr. Andropov in which the Soviet leader outlined his proposal was delivered Monday to Chancellor Helmut Kohl by the Soviet ambassador to West Germany, Vladimir Semynov.

Prime Ministers Margaret Thatcher of Britain, Bettino Craxi of Italy and Wilfried Martens of Belgium have also acknowledged that they received letters from Mr. Andropov this week.

In the letters, which apparently include similar if not identical language, Mr. Andropov blamed what he termed the "non-constructive attitude" of the United States for the bogged-down talks in Geneva and said that the deployment of new U.S. missiles would cause the negotiations to become "meaningless."

The Soviet leader asserts that his country and its allies would then be compelled to "take countermeasures" that would abruptly increase the dangers of a nuclear confrontation. The Soviet Union has threatened to install new nuclear missiles closer to the East-West border in East Germany and Czechoslovakia.

Mr. Andropov concluded his letter to the Western leaders by saying, "In this kind of development, nobody can win and all will be losers."

Under Israeli law, Mr. Begin's resignation will mean the automatic resignation of his government, which was formed after the 1981 elections. Mr. Herzog is then required to consult with leaders of Israel's parliament, the Knesset, and to ask one party leader to form a government.

The hope of Mr. Begin's political allies is that shortly after the prime minister officially resigns they will be able to present Mr. Herzog with a solid parliamentary majority lined up behind a chosen successor, leaving the president no choice.

Given the current makeup of the Knesset, the chances of Mr. Peres's being able to patch together a new government coalition are extremely remote. As of Tuesday night, the Labor Party had made no official statement on Mr. Begin's resignation and reportedly was waiting for the letter of resignation to be tendered.

The choice by Herut of a designated successor to Mr. Begin will not necessarily lead to a quick formation of a new government. Herut, which along with Israel's Liberal Party forms the ruling Likud bloc, would still have to win the agreement of the four smaller parties that make up the coalition government. Without those coalition partners, the Likud bloc is far short of a parliamentary majority.

In the meantime, Mr. Begin will remain in office as head of a transition government. Under Israeli law, such a government, although its moral authority is weakened, has enhanced government power because no-confidence votes cannot be introduced in the Knesset.

He has dominated Israeli politics since he was elected prime minister in 1977, and his decision to resign is expected to set off intense maneuvering that could easily lead to early parliamentary elections, which are now not scheduled until 1985.

The maneuvering effectively began with Mr. Begin's agreement not to submit his resignation to Mr. Herzog immediately. This was designed only to allow his own political party time to agree on a successor but also to prevent Mr. Herzog, a member of the opposition Labor Party, from asking the Labor Party leader, Shimon Peres, to try to form a new government.

WORLD BRIEFS

Hijackers Threaten to Blow Up Plane

BAHRAIN (Reuters) — Four Arabic-speaking hijackers holding 17 hostages in an Air France airliner at Tehran airport threatened Tuesday night to blow up the plane over Iraq. Tehran Radio reported.

Earlier, the radio, monitored here by the British Broadcasting Corp., said the plane, which was commandeered Saturday on a flight from Vienna to Paris, had been refueled after the hijackers took an Iranian interpreter hostage and threatened to kill him.

IRNA, the state-run news agency, said that fuel, food and other supplies needed for a takeoff had been loaded Tuesday afternoon on the plane, a Boeing 727, and that the passengers and crew were in good condition.

Andropov Outlines Latest Arms Plan

BONN (WP) — President Yuri V. Andropov of the Soviet Union has dispatched letters to several West European leaders explaining his latest arms-control proposals and declaring that the next round of Geneva negotiations on medium-range nuclear missiles will be decisive.

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2 Assam Blasts Greet Rajiv Gandhi

NEW DELHI (Reuters) — Two bombs exploded in Assam while Rajiv Gandhi, the son of Prime Minister Indira Gandhi, was making a quick visit to the northeastern Indian state, officials said Tuesday.

Shops and offices in the capital, Gauhati, and some other parts of the state were closed for the second day as part of a 36-hour strike called by indigenous Hindus to coincide with Mr. Gandhi's trip. The strikers are demanding the expulsion of large groups of immigrants.

The two explosions, one Monday night and the other Tuesday morning, raised the total of blasts across the state to five since Sunday. The Press Trust of India news agency said that one person had been injured in the latest attacks and that there had been no reports of any group claiming responsibility.

Prague Denies Complaint by Primate

PRAGUE (AP) — The government-controlled media have refused reports that Cardinal Frantisek Tomasek wrote to the state Office of Religious Affairs complaining about discrimination against believers and urging authorities to rethink their policy on religion.

"Cardinal Tomasek has stated that he has neither written, nor signed, nor sent any letter," the official news agency CTK reported late Monday. The report said the cardinal "has expressed indignation at the misuse of his person in a new slander campaign against Czechoslovakia."

Kathpress, the Catholic news agency in Austria that reported on the letter last Wednesday, insisted in a response that the document was authentic and its story was accurate.

Geneva Arms Talks Recess for 1983

GENEVA (UPI) — The disarmament conference of 40 nations ended its 1983 session Tuesday with continuing U.S.-Soviet differences blocking progress on new arms control agreements.

A ban on chemical weapons and the prohibition of all nuclear testing — the two major goals — remain impossible because of the deadlock over the issue of verification procedures to prevent cheating.

The United States and its allies maintained their position that obligatory on-site international inspection is needed to ensure compliance with such treaties. But the Soviet Union continued to argue that inspection should be by invitation only.



Gaston Thorn, president of the European Community Commission, left, welcomed Foreign Minister Hans-Dietrich Genscher of West Germany at the joint session of EC foreign, finance and agriculture ministers in Brussels.

Split on Money Crisis Persists in EC

BRUSSELS (Reuters) — A wide split persisted Tuesday in the European Community when senior ministers failed to find common ground on how to end the 10-nation bloc's financial crisis, diplomats said.

Foreign, finance and farm ministers met to discuss proposals from the EC Executive Commission for reforming the costly farm subsidies system. After speeches by virtually every one of the 30 or so ministers present, diplomats said there appeared to be little room for compromise between exponents of radical reform and those seeking to protect the interests of the EC's eight million farmers.

Diplomats said a Danish proposal to resolve the British problem separately through the formation of a separate fund was likely to be taken up at a session in September.

UN Affirms Sovereign Status of PLO

GENEVA (AP) — The UN conference on Palestine accorded full diplomatic status to the Palestine Liberation Organization Tuesday as the meeting continued with repeated attacks by Arabs and other speakers against Israel and the United States.

Some diplomatic observers described the decision by the conference delegates on the PLO as a significant precedent.

The PLO attended Monday's inauguration of the 10-day conference as an observer, but on Tuesday the plenary session of nearly 100 UN members "acknowledged the Palestinian people as the main interested party." The decision confirms the PLO's position as the sole representative of the Palestinians and gives the PLO a status equal to that of a sovereign state.

Malta Holds Out on Pact Ratification

MADRID (AP) — Malta continued for the 43d day Tuesday to refuse to ratify the final document of the Conference on Security and Cooperation in Europe at what was to have been the closing session of the three-year meeting on human rights.

The final plenary session of the 35-nation conference before a meeting of foreign ministers on Sept. 7-9 is scheduled for Sept. 5. The Spanish government has gone ahead and invited the foreign ministers to Madrid, but if Malta continues to hold out, the gathering may not have formal status under the rules of the conference.

Malta refuses to ratify the agreement, a follow-up document to the 1975 Helsinki accords on human rights and security in Europe, because it does not make provisions for a meeting on Mediterranean security.

For the Record

MADRID (Reuters) — The leader of the touring Soviet radio and television symphonic orchestra who was found hanged Saturday committed suicide because of emotional depression, the Spanish conductor of the tour said Tuesday. He said there were no political overtones to the death.

LONDON (Reuters) — Foreign Secretary Sir Geoffrey Howe of Britain will pay an official visit to Hungary from Sept. 12 to Sept. 14, the Foreign Office announced Tuesday.

In Kabul, a Lonely U.S. Embassy Keeps Going

By Stuart Auerbach
Washington Post Service

WASHINGTON — When it's payday for the few Afghans still allowed to work for the American Embassy in Kabul, the administrative officer, Peter S. Flynn, counts out the money himself because the Soviet-installed Afghan government has arrested most of the local workers who used to handle the payroll.

A scuffle often breaks out at the gate when a local truck tries to get into the embassy compound to deliver cases of soda pop for the Marine guards who live there.

The 20 Americans assigned to the Kabul embassy operate in one of the most hostile environments of any U.S. diplomatic mission in the world.

Even more than in Eastern Europe or China, they are isolated almost totally from the local people and officials. Moreover, they are hampered in their work by the arrests of local employees and subject to frequent officially organized demonstrations.

"There is a very high degree of official hostility, as high as it can be and still have an embassy there," said Charles F. Dumbiar, who recently completed a 22-month assignment in Kabul. During the last 16 months he served as chargé d'affaires, the highest ranking U.S. official in Afghanistan.

"Hostility certainly is the operative word," said Mr. Dumbiar, who has been reassigned to Washington for Arabic-language training.

The hostility reached a peak this winter, when the Afghan authorities picked up and presumably jailed more than a dozen local employees of the embassy — virtually the entire white-collar clerical staff. They are the backbone of embassy operations, taking care of payrolls, handling local purchases, getting supplies through customs, working as receptionists, talking to people allowed to apply for visas and translating local papers.

Many were long-time employees of the embassy, but they were Afghans and wanted to stay in their own country. They were presumed to have been placed under pressure by the Afghan secret police to spy on their American employers and thus were carefully isolated from any embassy secrets. Conversely, they were obviously fearful of being considered U.S. agents, so were careful never to meet alone with Americans in the embassy.

A guard at the embassy gate who was arrested in the spring of 1982, later appeared on Afghan television in what Mr. Dumbiar described as "an anti-American spectacle." This man described the U.S. Embassy as a nest of spies, which Mr. Dumbiar vehemently denied.

Mr. Dumbiar said the zeroing in on employees of the U.S. Embassy while leaving other diplomatic missions untouched makes it appear to be harassment.

There are other forms of everyday harassment for the American diplomats not meted out to the few other Western nations with embassies in Kabul — France, Italy, West Germany, Britain, Turkey and Japan.

There are frequent, officially organized demonstrations outside the once-heated embassy compound, which is guarded by special elements of Afghan secret police instead of the ordinary police assigned to most missions. No Afghan citizens are allowed into the embassy or any American diplomats' home, with the exception of the few who have permission to work in those places or were given clearance to come in for visas. Even foreign visitors have to prove their identities before police will allow them through the gate.

Further, no cars with Afghan licenses are allowed through the gate, and "low-level flights" sometimes develop over deliveries. "It's a constant struggle to bring supplies in, part of the visceral hostility of low-level functionaries," Mr. Dumbiar said.

But the worst problem, he said, was the disappearance of 19 local embassy employees. "It was the

most agonizing form of harassment I faced, the feeling of pain and frustration of having those people arrested and being able to do nothing," Mr. Dumbiar said.

Mr. Dumbiar believes they were all jailed, but Afghan officials have never confirmed it. Later, another six employees were forced to resign. In all, three-fourths of the local white-collar employees either disappeared or were forced to quit, though gate guards and a few house servants were allowed to continue working for the Americans.

The local staff of the embassy now consists of a medical lab technician to help a nurse who is neither American nor Afghan, a translator, a clerk in the budget office, a telephone technician, a mail clerk and a telephone receptionist.

Without the local help most can-

basities rely on, the administrative officer, Mr. Flynn, does payroll. Gladys Rigby, the embassy secretary, doubles as a consular officer, as does Lee O. Coldren, the No. 2 man under Mr. Dumbiar's replacement, Edward Harwitz.

All lead rather isolated lives in what once was a prized, peaceful and relatively undisturbed post.

The United States refuses to recognize the government of Babrak Karmal, but continues to recognize Afghanistan as a country, which is why the United States maintains an embassy there.

"The Afghans are willing to have us there because our presence lends a degree of legitimacy to their government," Mr. Dumbiar said.

(The writer was The Washington Post correspondent in South Asia until last summer.)

Israel Reportedly Agrees to Delay Pullback

(Continued from Page 1)

will leave a vacuum in which a new civil war could start.

Israel is anxious to pull back to a more defensible line along the Avari River, north of Sidon, in an effort to cut the costs of maintaining its army in Lebanon and to reduce casualties from guerrilla attacks.

Israeli officials are skeptical about Mr. McFarlane's ability to engineer an accord between Mr. Jumblat and Lebanon's Maronite Christian president, Amin Gemayel. Mr. Jumblat, who has Syrian backing, was reported to have met in Paris last weekend with Mr. McFarlane, apparently giving the American envoy some cause for optimism.

Despite the Israeli doubts, however, Mr. Begin agreed to the delay for the sake of U.S.-Israeli relations, an official explained. He said that since the request came personally from Mr. Reagan, Israel felt it should be responded to with "courtesy and good will." The official added: "We don't want, for the

sake of a few days, to be held responsible for bloodshed."

■ **Marine Role Unchanged**

Earlier, Bernard Gwertzman of The New York Times reported from Washington:

The White House announced that a crisis management group has agreed that despite the deaths of two American marines in Lebanon there should be no change in the U.S. peacekeeping role in that country.

The group, led by Vice President George Bush, also told Mr. Reagan, who is on vacation in California, that there was no need to increase the size of the 1,200-man Marine Corps contingent or to expand its limited mission of showing support for the Lebanese government's efforts to unify the country.

Mr. Bush, who was called back to Washington from a vacation in Maine, conferred for an hour and a half at the White House with Secretary of State George F. Shultz, Defense Secretary Caspar W. Weinberger and other senior officials.

Afterward, a White House spokesman said, Mr. Bush and Mr. Shultz talked by telephone with Mr. Reagan and his national security adviser, William P. Clark, in Santa Barbara, California. All recommendations of the group were accepted by the president, the White House said.

■ **'Not in Combat'**

The Reagan administration said Tuesday that despite continued fire from religious factional groups in Beirut, the U.S. marines there are "not conducting combat operations," The Washington Post reported from Santa Barbara, where Mr. Reagan is vacationing.

Larry M. Speakes, the presidential spokesman, said the administration still regards the fighting as an "isolated incident" and this would not trigger the War Powers Act provision that would require congressional review of the U.S. presence in Lebanon.

Manila Names Alleged Killer

(Continued from Page 1)

the scheduled funeral services have been arranged to attract another huge outpouring.

After a Mass in the Santo Domingo Church near Mr. Aquino's home, the body is to be driven slowly, atop a large truck, along a long route that winds through central Manila to a cemetery.

Some have asserted that the government would seize on disturbances as a rationale for reimposing martial law while others have speculated that the country's small Communist guerrilla movement might attempt to foment chaos in the hope of discrediting both the government and the opposition.

Mr. Aquino's brother, Agapito, disclosed Tuesday that as many as 50,000 "parade marshals" supplied by a militant labor organization known as "May First" will be on hand to guard the funeral procession.

Mr. Aquino also said that rumors are circulating that groups of government agents may be present, intent on disrupting the procession.

■ **Marcos Says Slaying 'Idiotic'**

President Marcos, at a meeting Tuesday with Senator Mark O. Hatfield, a Republican of Oregon, called the assassination "idiotic" and again denied charges that the government had Mr. Aquino killed, the presidential palace announced, according to an Associated Press report.

The statement said Mr. Hatfield told Mr. Marcos he understood the country's problems and would urge President Ronald Reagan to go ahead with his scheduled visit to Manila in November.

Mr. Marcos was quoted as telling Mr. Hatfield: "I hope that people will understand that this is not the kind of work that the political leaders of our party do or even a Filipino politician does. This is idiotic even from the viewpoint of politics alone."

■ **Involvement 'Not Ruled Out'**

Prime Minister Cesar E.A. Virata of the Philippines said Tuesday that "some elements in government" could have been involved in the slaying, Reuters reported from Istanbul.

Mr. Virata, who was attending a conference in Istanbul, said: "We are not ruling that out. That is why an independent commission was formed."

London Protest Over Ulster

United Press International

LONDON — About 30 people picketed government offices Tuesday to protest what they consider to be a policy of shoot-to-kill by the British forces in Northern Ireland.

They carried placards with the names of 13 persons killed since last year by security forces.

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Turk Leaps From Berlin Court, Dies

Kemal Altun, 23, a Turk facing extradition to his homeland for involvement in the murder of a politician, died Tuesday after jumping from a sixth-floor window at a West Berlin courthouse, the police said.

Mr. Altun, seen above at the beginning of his appearance at an administrative court, minutes later turned suddenly and leaped out of a window. He was pronounced dead shortly afterward.

His case drew attention in West Germany after another West Berlin court approved his deportation and rejected his claim that he was being persecuted for political reasons. The government ordered his deportation in February but delayed it after a wave of protests. He was later granted political asylum by the Office for Asylum Affairs. The hearing Tuesday was on an appeal by the West German government to reverse the decision to grant asylum. Mr. Altun was accused of hiding weapons used in the 1980 murder of Gun Sazak, a rightist Turkish politician. He had denied the charge.

The opposition Social Democratic Party of West Germany accused the government of political and moral responsibility for the death. The government said it regretted the "act of despair."



Veil Over Honduran Leader's Illness Stirs Fear of Return to Military Rule

By Loren Jenkins

Washington Post Service

TEGUCIGALPA, Honduras — When José Azcona del Hoyo, the minister of communications, transport and public works, quit the Honduran government last week as a result of an internal squabble in the ruling Liberal Party, he typed his letter of resignation to President Roberto Somoza Córdoba and sent it to the presidential palace.

That the president and Liberal Party leader was not home to receive the letter was a matter that neither Mr. Azcona, nor other members of the government and party nor even the local press chose to acknowledge in the public debate that has followed.

For although virtually everyone in the capital is aware that Mr. Somoza Córdoba has not been in his residence or office since suffering a heart attack a month ago, his continued absence from the political stage is something the government has tried not to talk about.

Indeed, the lack of any official public explanation of the president's condition has been one of the great mysteries of Tegucigalpa. It has spawned a rash of rumors, each more alarmist than the last. It has also reinforced the fears of the talk in the street had it. The communists added that the president who is in charge in Honduras, but his chief of the armed forces, General Gustavo Alvarez Martinez.

So prevalent have the rumors been about the president that Friday the Ministry of Information finally issued a statement asserting that Mr. Somoza Córdoba was in Tegucigalpa and not in a hospital somewhere in the United States, as the talk in the street had it. The statement added that the president continues to take care of what state business demands "his personal attention."

At the same time, the minister for the presidency, Carlos Flores Fausse, insisted to party leaders who were in some doubt about the matter that the president was alive and well in Tegucigalpa.

Only privately will government officials acknowledge that Mr. Somoza Córdoba, a 56-year-old former country doctor, suffered "a mild heart attack of some sort" and was convalescing in special quarters at the Honduran Air Force Base adjacent to the capital's Toncotin International Airport.

The first public mention of his confinement there came in the Honduran newspaper La Tribuna, when it reported that he had met Sunday with the U.S. special envoy to Central America, Richard B. Stone. U.S. officials described the visit as a "courtesy call."

Government reluctance to make such details public is based in no small part on fear of alarming the population in Honduras. With Mr. Somoza Córdoba having come to office only last year as the first freely elected civilian president after almost 19 years of military or military-controlled governments, any hint that he might be incapacitated raises serious questions about the future of Honduras's tenuous experiment in democracy.

That the president is, in fact, ill and being treated at a military base is something guaranteed to raise public fears that their new govern-

ment might once again be slipping under military control.

"Ever since the president took office," said Manuel Gamero, the liberal editor of the newspaper El Tiempo, "there has been much confusion and doubt about who really runs the country. Now, with the president's true condition surrounded in mystery, there are valid reasons for wondering if, in fact, he can govern even if he is disposed to."

The public's unease about who really rules was not without some foundation even before Mr. Somoza Córdoba slipped out of public sight. It is generally accepted in political circles in Tegucigalpa that before the military relinquished power in 1982, General Alvarez, then a colonel, and Mr. Somoza Córdoba reached a private understanding on the delineation of their respective powers in the democracy then being established.

As a result of that understanding, General Alvarez was assured he would have the final say in all military and security questions, something that gave him a decisive voice in international and internal affairs. What that has meant in practice is that the general shares power with the chief of state.

Although Honduras take pride in the democratic constitution that was promulgated before the elections that brought Mr. Somoza Córdoba to the presidency in 1982, knowledgeable analysts say the real seat of decision-making in Honduras is neither the cabinet nor the National Assembly but a National Security Council that is mentioned nowhere in the constitution.

The National Security Council is equally divided between senior civilian officials under the president and senior military officers under General Alvarez. In the absence of the president, the general is assured an almost automatic majority.

It is known that Mr. Somoza Córdoba and General Alvarez have not been in agreement on many key issues. Last year, after the president



Roberto Somoza Córdoba

unveiled an initiative for a negotiated peace in Central America, General Alvarez publicly undermined the proposal with harsh talk of military options that might include, if necessary, the invitation of U.S. troops to Honduras to help defend its territory.

Government officials eager to dispel the continuing confusion about the president's health insist that the heart attack was a mild one. Proof of this, they say, can be had in the fact that two days after he was hospitalized, Mr. Somoza Córdoba taped televised speeches to the nation and to his party colleagues, who were then preparing for nationwide party leadership elections.

What they do not say is that Mr. Somoza Córdoba is expected to be flown to Houston sometime in the coming month for treatment under Dr. Denton A. Cooley, the heart specialist. Although U.S. officials who are arranging the trip insist that the treatment will be routine, the president's absence from the country can only increase the public nervousness about his leadership and confirm their worst fears that General Alvarez is the true power behind the throne.

Needy Americans Gleaning Unwanted Agricultural Harvest

By Bill Curry

Los Angeles Times Service

EVERETT, Washington — After years of welfare, of being dependent on the assistance of others, Rachel Brown is helping herself. She is helping herself through hard work, and by helping herself to a cornucopia of food that would otherwise be wasted.

Rachel Brown, 30, helps support her three children by gleaning, taking from the earth the overlooked or unwanted bounty of the harvest: peas and beans, carrots and cauliflower, peaches and potatoes, strawberries and raspberries.

"It gives me a new beginning," she said recently. "I can look forward to going to work, and the food is fantastic."

More importantly, she is not alone. . . . In the produce fields and fruit groves in scattered locations across the United States, gleaning — a concept as old as the Bible but as immediate as the next meal — is increasingly a weapon for a ragtag army of hard-pressed Americans fighting hunger.

For gleaning is one of the handful of privately organized feeding efforts that have sprung up in response to what the General Accounting Office calls "an unmet need" for food among Americans who do not qualify for government food assistance.

All told, active gleaning programs have now taken hold in at least 11 states: California,

Oregon, Michigan, Arizona, Colorado, Kansas, Maryland, Missouri, Florida and Texas, as well as here in Washington. And, the GAO said in a June report on efforts to feed the country's poor, still more Americans could benefit from gleaning except for transportation shortages that hamper the movement of workers to the fields — and of the food back to the needy.

Still, several states, including California, have passed legislation offering state income-tax deductions to individual and corporate farmers for the value of food gleaned from their fields. Similar federal legislation has been introduced but has not been acted upon.

The food that is being collected otherwise would rot in the fields or would be fed to animals or returned to the soil as mulch. Much of it is left behind by the harvesting hands and machines of the harvesters, or simply discarded because of blemishes and bruises.

In short, at a time when the nation is spending more money than ever to feed more hungry persons than ever, vast quantities of edible, nutritious food lie wasting in the fields.

"It doesn't make sense," said Richard Purcell, 11, and his parents, Tom and Lessee, are spending their third vagabond summer looking for work.

"This is such a blessing, you can't even believe," said Judi Amos, another gleaner, a member of the working poor who has seen her economic well-being gradually eroded in recent years. As she sorted through thousands of pounds of castoff peaches, she said, "If we're going to survive, we have to do this."

"The world doesn't even know the food is out there," said Chris Stout, 33, the strong-willed, driving force behind gleaning here. "And it's better than an opportunity, it's a solution. We gleaned five fields and fed hundreds and hundreds and hundreds of families."

"There's no reason for anyone in this country to go hungry," Carol Page, 35, a gleaner, said after a long day spent in the fields on hands and knees.

Miss Stout began the gleaning program last summer here in Everett, a community of 56,000 with a 13 percent unemployment rate, 30 miles (48 kilometers) north of Seattle, as part of her own free-lance mission to help the less fortunate.

She has been a gleaner for more than a decade, since the days when, as a single, teenage mother on welfare, her life was constantly spare and there was never enough of anything.

"I was driving down the road past a pea field," she recalled of those darker days.

"There was food in it, and we were hungry. I couldn't stand to see the waste, knowing that other people were just as hungry as we were."

Since then has come a religious conversion, the founding of her Sparrow Ministries here and a growing gleaning movement that takes its guidance from Leviticus 19:9-10, which says:

"When you harvest the produce of your field, do not completely mow the edge of your field or gather the gleanings of your harvest. Do not glean your vineyard bare or your scattered grapes; leave them for the poor and for the stranger."

Miss Stout "showed up at the door one day last summer," said Laura Johnson, who farms here with her husband, Robert, seeking permission to glean the produce fields.

"We had truckloads of produce left over. We had planted more vegetables hoping to have a larger 'you-pick' [business]. We sold what we could, but there was a lot left."

"We knew it was going to go to waste."

So daily, groups of gleaners, some chronically on welfare, others the so-called new poor, venture into the fields around Everett in search of food for themselves and others. They keep what they can use, and the remainder goes to local food banks or to senior citizens centers.

Crucial to it all is Miss Stout's notion that gleaning is work, "and work is good for you."

Glenn Argues Drought Losses in U.S. May Push Up Food Prices For Backing Of AFL-CIO

By Dan Balz

Washington Post Service

WASHINGTON — Senator John Glenn of Ohio, a leading Democratic presidential candidate, has declared that the AFL-CIO would be fundamentally misjudging the mood of the electorate by endorsing the candidacy of his chief rival, former Vice President Walter F. Mondale.

Arguing that opinion polls show him to be a stronger candidate against President Ronald Reagan, Mr. Glenn said in a weekend interview that the labor federation would be pursuing a short-sighted strategy by putting its resources behind Mr. Mondale for the Democratic nomination.

"It doesn't seem to them any good just to win the nomination," Mr. Glenn said. "That's not the objective, unless you're just looking at this for a demonstration to show you can get your nominee in. The objective that is going to benefit their membership is going to be who can replace Reagan in the White House."

Mr. Glenn said he has not abandoned hope of obtaining labor's endorsement, but he spoke as if he expects that it will go to Mr. Mondale. The AFL-CIO plans to announce its choice in early October, and most political experts assume that Mr. Mondale will obtain labor's backing.

As he has before, Mr. Glenn expressed confidence that he can compete successfully with Mr. Mondale for the votes of rank-and-file workers in next year's Democratic primaries and caucuses.

"The fact that there's an endorsement doesn't necessarily mean all their membership will drop in line," he said.

By William C. Rempel

Los Angeles Times Service

CHICAGO — After 56 years of farming, Mike and Ada Mikhus of Des Moines, Iowa, are retiring, forced to quit by the worst drought to hit middle America since the "Dust Bowl" era half a century ago.

"We're too old to risk another year like this one," Mrs. Mikhus, 77, said. "It's just too bad we have to end on such a bad note."

Across the United States, farmers and ranchers are suffering heavy losses from the heat wave and drought of 1983, losses so great that agricultural economists are predicting that consumer food prices will rise between 5 and 8 percent in the next year.

But, behind the government statistics and the annual reports, the heat has hit home for the average American. Ranchers are fighting to save their cattle and in the Midwest, pumpkin crops are expected

Drums of Poisonous Industrial Waste Wash Up on French Atlantic Beaches

United Press International

RAYONNE, France — Floodwaters from the Spanish Basque country have washed up on French beaches hundreds of drums of industrial waste, many containing highly toxic substances, officials said Tuesday.

They said the drums were washed up Monday and Tuesday over a 30-mile (48-kilometer) stretch of France's Atlantic coast near the Spanish border.

Local authorities said at least 12 drums contained sodium cyanide, a lethal chemical commonly used in electroplating and insecticides.

They sealed off some of the beaches pending a detailed analysis of other unidentified drums believed to contain dangerous material.

There were no reports of serious pollution as one of the barrels burst before being washed ashore, officials said.

Spanish authorities denied that any of the drums washed away in three days of floods contained radioactive material.

Despite signs in four languages warning vacationers not to approach the barrels, some people ig-

to yield fewer jack-o'-lanterns for Halloween.

[The Associated Press reported that rain fell Tuesday over much of the Midwest, but officials said it was likely too little too late to save crops. A cold front pushed through the Great Lakes region and heavy rains drenched Iowa and eastern Kansas.]

In Illinois, Governor James Thompson Monday called this "a disastrous growing season" and "one of the worst years in memory" as he appealed for U.S. assistance in a letter to the secretary of agriculture, John R. Block, an Illinois farmer himself.

Mr. Block was scheduled to meet here Friday with governors and agricultural officials from 28 severely drought-stricken states.

In Indiana, Governor Robert Orr called the drought a "devastating economic blow" when he de-

nored them and took away drums from some beaches, officials said.

"They thought the barrels contained fuel," a lifeguard said. Authorities appealed from vans with loudspeakers for the barrels to be returned because of the danger.

Other jettisoned industrial debris was washed ashore, apparently brought by the prevailing tides from the Spanish side of the frontier.

"In winter, when nobody cleans up the beaches, the French Basque country dumps turn into Spain's garbage dump," a Basque fisherman said.

Communications and electricity in the region returned to normal after the floods. The rising tides claimed at least 36 lives on both sides of the French-Spanish border.

But, with the death toll of 113 from the 1980 summer heat wave still fresh in their minds, St. Louis officials were better prepared to deal with this year's heat. Dr. William B. Hope Jr., the St. Louis health commissioner, credits a best emergency plan for saving many lives.

"We had one 84-year-old woman in heat stroke condition," Dr. Hope recalled, describing how paramedics immediately covered the woman in an ice before rushing her to a hospital where she recovered. "She would have died in 1980," he said.

Across the nation, the summer brought such extremes as hurri-

cans and temperatures of more than 100 degrees Fahrenheit (about 38 centigrade) occurring simultaneously only a few states apart.

In Texas, which was hit by heavy rains from the hurricane designated Alicia, western portions of the state are experiencing the worst drought since the 1950s.

Martin Abel, senior vice president of Schnitter Associates, a private economic agricultural forecasting firm, said the drought covers a bigger area and is longer lasting than either the most recent droughts of 1980 and 1974.

He predicted that food prices will rise, particularly meat, poultry, vegetable oil and possibly bread and bakery products. But, he said, the anticipated 5 to 8 percent increases over the next year would still be lower than the increases that followed the 1980 drought.

In cities, where records have been set for electrical consumption, state and U.S. health officials say high temperatures and oppressive humidity have led to about 200 deaths nationally in the last month. The highest concentration of these victims was in St. Louis, Missouri, where 37 deaths have been reported.

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Mine Injures 2 East Germans

United Press International

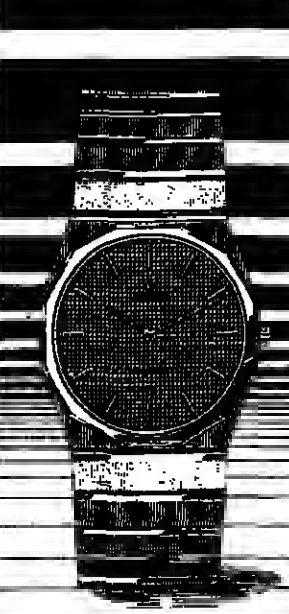
HOFEN, West Germany — A mine exploded Tuesday on the East German border with West Germany in northern Bavaria, seriously injuring at least two East German border guards, the border police said.

Latvian Sentenced in Riga

Reuters

STOCKHOLM — A Latvian foundry worker, Gerderts Melagals, 32, has been sentenced by a Soviet high court in Riga to three years' hard labor for alleged anti-Soviet activities, emigre sources said Tuesday.

CONCORD COLLECTION



CONCORD MARINER SG

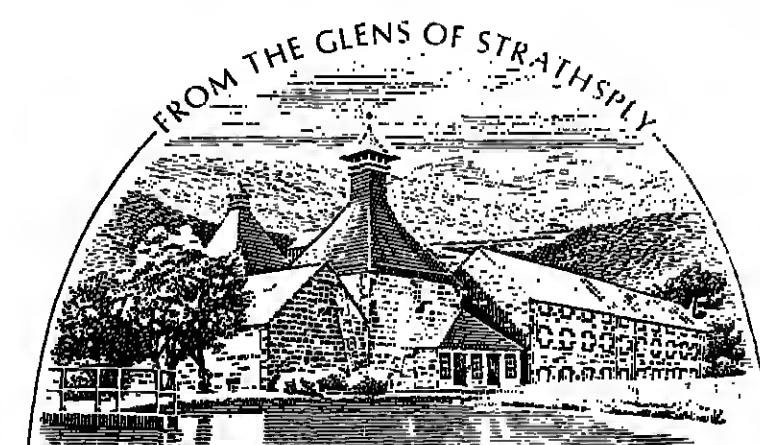
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Jeannine Altmeyer:
The Wagnerian LifeBy Andrew Clark
International Herald Tribune

BAYREUTH, West Germany — Born with a beautiful voice, taught by one of the most famous German sopranos of all time, fated on the world's leading opera stages, Jeannine Altmeyer has had more than her share of luck and talent. But after gliding to the top of her profession, she has started to question whether music should remain the mainstay of her life, and talks about giving it up.

She has all the right attributes for a Wagnerian heroine — a voice that is unusually large, penetrating and fully colored, a golden mane of hair, and a stage presence that is a mixture of naïveté and allure. She has just finished her latest run of performances as Siegmünde in the Bayreuth Festival's new "Ring." Tomorrow she opens the season in Bern in a Wagner concert under Peter Maag, and at the end of September she sings Leonore in Beethoven's "Fidelio," the opening production of the season at Bonn.

Next spring she tackles Senta in a new staging of "Der Fliegende Holländer" in Brussels, with gala performances in West Germany, Switzerland and Argentina slipped to between.

At 35, she has reached the age when most Wagner sopranos are approaching the height of their powers. But there are limits to what she is prepared to do. "There are other things that are important in life — I am by no means dedicated to going on and on singing. I want to have a family, I have plenty of interests other than music. I don't want to reach the state, like so many of my colleagues, of feeling sour in my career. I like to sing, but I've done it a long time, and I don't want to be still doing it when I'm 45. As soon as I don't enjoy it or my voice doesn't sound good, I'll finish."

Her parents were both first-generation Americans, whose families had moved to California from Germany and Italy. She studied music in Fullerton and Santa Barbara, where she was introduced to her most influential teacher, Lotte Lehmann. They visited Europe three times together, with Lehmann arranging all the auditions. Her first professional engagement was in a small role at the Metropolitan Opera, and her European debut two years later was at Salzburg with Herbert von Karajan. She now lives in Zurich, sharing her life with Fierre Soland, the man who has been her agent, mentor and friend for the last 10 years. She practices her singing during their sailing ex-

cursions in Italy, where she says some day she would like to own a small vineyard. She gives no more than 25 performances a year.

"I don't have a typical singer success story. In fact, I didn't have to struggle at all. I have a recording of a performance of the 'Messiah' I did in my teens at Fullerton, and my voice doesn't sound any different! When you listen, it's funny because it sounds so easy. I didn't know then just how hard it is to keep on producing the right sound."

She admits she has been lucky with her teachers. She started studying Siegmünde when she was 19 — it was a role for which Lehmann was renowned. Her first Wagner performances were as a Valkyrie and as Gutrune, opposite Birgit Nilsson's Brunnhilde. Even then she was working out how she wanted to sing and act Wagner's longest female role. Her current voice teacher, Gladys Kuchta, who sang Isolde until she was 61, has greatly helped her technique.

Both in concert and stage performances, she makes much use of outstretched arms, which helps to explain the impression her voice gives of large sound produced without strain. "The basic technique of singing is the same — the voice has to be properly placed, but the use of my arms frees me, keeping my shoulders down. That's why in concert performances of romantic opera, I believe in doing a certain amount of acting in order to sing well. It's not Bach or Mozart, it's hot stuff. But I don't go as far as lying down on stage!"

"My main concern is for beauty of tone rather than producing the most powerful sound. I also try to sing Wagner with a sense of vocal line. It's difficult, because he wrote with natural breathing spaces. Many singers are intimidated by Wagner because his roles seem so dramatic and long. But they're dramatic in the right way and sensibly written. Brunnhilde and Isolde both have a long rest before they make their final appearance. The *Schicksalsgesang* sings itself."

She sang Isolde for the first time last year in a concert performance in Bern under Maag. Her Brunnhilde has been tried and tested in various productions around Europe, but won't be seen as an integrated whole until 1985 in San Francisco. It is the only major role she has tackled in the recording studio, and she vows it will be the last, saying that the size of her voice is unsuited to the microphone. "They tone down my high notes



Jeannine Altmeyer as Siegmünde in "Die Walküre."

and I can't sing as well because I can't act the part," she comments acidly.

She reached her widest audience through the controversial Bayreuth production of "The Ring," staged by Pierre Boulez, which has since been telecast in Western Europe. She sang Siegmünde and Gutrune in the production in 1979 and 1980, and returned to Bayreuth this year to sing Siegmünde under Sir Georg Solti. But it was by no means a repeat performance. "In 1979, I spent the first two weeks alone in rehearsal with Boulez. He told you everything you had to do — even facial expressions — but not why. He had analyzed it himself and his concept was well-prepared before he even reached Bayreuth."

"Although we didn't get the same level of personal direction in the latest production, it was more interesting musically, because Solti is good as a singer's conductor. I've never sung the first act of 'Die Walküre' so well as under Solti — my voice had a chance to soar more, which it wouldn't do in the

Chéreau production. Solti told me that he wanted vocally — to keep my voice as young and bright as possible. The part is low and many singers darken their voices for it. He actually told me to sing less — and I found he was very sensitive to allowing the voice to be heard. He needs the great climaxes — that's what makes his Wagner conducting so exciting."

Her repertoire also includes Leonore in Verdi's "Il Trovatore," Lisa in Tchaikovsky's "The Queen of Spades" and the title part in Puccini's "Tosca." But the German repertoire is her natural domain. She studies a role for two years before singing it on stage. Her first performance as Leonore in "Fidelio" came only last month in Spain. "It's an extremely difficult part musically and technically — Beethoven didn't know the voice as well as Wagner or Puccini. Lotte Lehmann said I should wait till I was 40 before tackling it — the vocal part is so exposed. But it's a wonderful acting part — you can get carried away to Act 2, it's so emotional. As an opera, it's in a class of its own."

American Shows Will Dominate This Fall

By Sheridan Morley
International Herald Tribune

LONDON — As London's box office managers start to recover from the hottest summer in recent memory and try to decide whether or not to invest in an air-conditioning plant for next year, when it will doubtless rain, they can look ahead to an active and remarkably American-oriented autumn.

The National Theatre alone should be flying several stars and stripes from its riverside terraces.

THE BRITISH STAGE

for as "Guys and Dolls" comes to the end of its triumphant two-year stay another and this time brand-new American musical (the Marvin Hamlisch-Peter Hall "Jean Seberg Story") is set to open there. Also in the repertoire is Christopher Hampton's "Tales From Hollywood," a play about the Central European exiles who found themselves in uneasy Los Angeles exile at the start of the last war. All that on the Olivier stage, while downstairs in the Lyttelton continues a lackluster revival of Kaufman and Hart's great 1930s comedy of droop-ers in Depression-era New York, "You Can't Take It With You."

But if the National has gone almost all-American, the West End isn't far behind. To the Comedy Theatre in mid-October, after a long off-Broadway run, comes "Little Shop of Horrors," the musical based on the old Roger Corman shocker about the man-eating plant, which already looks set for the long around-the-world life of another "Rocky Horror Show." Later in the month we also get "Snoopy," a new musical from the creator of "You're a Good Man, Charlie Brown," which has already opened out at the Watermill in Berkshire.

Other U.S. imports this fall include Harvey Fierstein in his Tony Award-winning "Torch Song Trilogy," Hannah Gordon in a long-awaited revival of Clifford Odets' "The Country Girl" (not seen over here since the mid-1950s) and Sheila Gish in a Greenwich revival of "A Streetcar Named Desire," staged as a tribute to the late Tennessee Williams.

Then again, the Riverside Studios' success with *Frances de la Tour* and Ian Bannen in Eugene O'Neill's "Moon for the Misbegotten" (also unseen over here to 20 years) has led to a West End transfer and a sudden revival of interest in other O'Neill works: "The Emperor Jones" now runs up on the pub-theater circuit at the Latchmere Gate. The autumn closing of "Pirates of Penzance" after an 18-month run at Drury Lane has led to

rumors that we shall at last be getting Bob Fosse's "Dancin'" in there while a reggae-soul rock version of Sam Shepard's "Tooth of Crime" is promised for the Bush. Add to all that the off-Broadway Shakespeare's "Cabaret," due at the Young Vic in November, and you begin to see why this looks like being the most American of autumns around London.

On the home front we are, however, promised a Penelope Keith revival of Coward's everlasting country-house comedy "Hay Fever" and Jean Fawcett reunited with Frank Finlay for a Theatre Royal Haymarket revival of "The Cherry Orchard," which also features the return to the stage of Lord Bernard Miles after the recent sad collapse of his Mermaid Theatre hopes.

From Sept. 6, the Soviet director Yuri Lyubimov will be working with a British company at the Lyric Theatre Hammersmith on a new production of "Crime and Punishment," while Bulgakov's play about Molok, a thinly disguised account of his dramatic troubles with Stalin, comes into the Barbican as a companion-piece to the Royal Shakespeare Company's current and rightly acclaimed, if a little manic, rendering of "Tartuffe."

A new lonelyhearts musical by Don Black entitled "Dear Anybody," opens at the Apollo Victoria in late September, and that theater then hosts a series of Cliff Richard's 25th-anniversary concerts before undergoing drastic refurbishment for the spring opening of Andrew Lloyd Webber's new skateboarding musical, "Starlight Express."

From Sept. 6, for a week only, the Riverside Studios in Hammersmith have the Stary Theater of Krakow, on their way home from the Edinburgh Festival, with Andrzej Wajda's highly acclaimed version of the final chapters from Dosztoevsky's "The Idiot" (now entitled "Nastasia Filipovna") while at the Royal Court from Sept. 8 is Howard Brenton's new play, "The Genius," which tells the story of a Nobel Prize-winning mathematician who retreats to an English university in a desperate attempt to suppress his solution to the final enigma of nuclear physics.

Outside London, the new season at the Manchester Royal Exchange opens next week with Jill Bennett and Edward Fox in a revival of "Dance of Death," which marks the straight-theater debut of the choreographer Kenneth MacMillan as director, and at Watford from Sept. 1 there's Warren Mitchell in Tom Kempinski's "The Beau-

tiful Part of Myself," a play about Jewish collaboration with the Nazis in World War II.

Later in the month, Barney Simon, the South African director of the satirical "Woza Albert" (still at the Criterion) has a "Medea" bound for London from Edinburgh with Yvonne Bryceland in the title role, and on the form of previous years other productions from both festival and fringe are more than likely to move south before Christmas.

But as the Mermaid appears to be sinking slowly and sadly from sight, at least for the foreseeable future, another theater is reclaimed from a two-year closure. Thanks to the enthusiasm and several million dollars of the Toronto stockbroker Ed Mirvish, the Old Vic reopens in October with a new Tim Rice musical called "Blondel," for a subscription season in which every show then runs six weeks. It is followed by an Albert Finney revival of "Serjeant Musgrave's Dance," a Canadian production of "The Mikado," and a 30th-anniversary revival of Sandy Wilson's "The Boy Friend." Add to that a Barbican revival of "Peter Pan for Christmas," a Tommy Trinder "Aladdin" at the Shaftesbury, and all in all we appear to be in for a nostalgic season as well as an American one.

N.Y. Orchestra Ends Opera Strike

By John Rockwell
New York Times Service

NEW YORK — Members of the New York City Opera orchestra ratified a new, three-year contract on Monday. The vote was 32-21.

The City Opera now plans to open an abbreviated season at the New York State Theater on Sept. 21 with a new production of Massenet's "Cendrillon," according to Beverly Sills, general director of the company. The season will end on Nov. 13, as originally scheduled. Company spokesmen explained that scheduling difficulties and casting availability prevent an earlier opening.

Opera employees represented by the American Guild of Musical Artists — soloists, chorus, dancers and stage staff — are due to begin rehearsals today and orchestra members are scheduled to report on Sept. 6.

John Glaser, president of the local and a member of the negotiating team, said the orchestra had settled because of economic pressure. "They had been out on strike for a long time, and were badly hurt," he said. The American Guild of Musical Artists has not yet ratified the tentative one-year agreement reached with the company on July 2. The wage increase of the guild's pact is the same as that agreed to by the orchestra, 6.5 percent. But the chorus, especially, is known to be restive at certain provisions in the contract.

Details of the orchestra's settlement differed slightly from the company's "final offer," made Sunday afternoon. The players will receive a 6.5 percent wage

increase in each year of the three-year pact; their weekly base wage scale in the last year of the old contract was \$535. In addition, each player's weekly schedule will be reduced from six to an average of 5.5 performances a week in 1985.

On the issue of the number of workweeks to be guaranteed, 20 weeks are guaranteed in the first year (although that has been sharply reduced by the strike), 22 the second, and 23 the third.

Beyond that, the company has agreed either to find additional workweeks or to provide half-salary compensation if work cannot be found. Two additional such weeks have been agreed to in the first year, four in the second, and six (up from five in the "final offer") in the third.

The contract would enable the company to present runs of successful productions with a reduced orchestra — the issue that prevented a run of the City Opera's staging of Leonard Bernstein's "Candide" last spring at the State Theater under the auspices of James M. Nederlander.

Such runs may now take place either at the State Theater or elsewhere, according to the new contract. If a reduced orchestra is used, its personnel will consist of a rotating complement from the full membership. Oppenheimer added that right now the company has no specific plans for such a run.

The central issue of the strike, which lasted 54 days, was the orchestra's attempt to resist a shrinkage of its annual earnings as a result of the company's shortening of its New York season and the elimination of longstanding tour engagements in Los Angeles and Washington.

Ending Two Centuries of Tradition,
Columbia College Welcomes Women

New York Times Service

NEW YORK — The last all-male school in the Ivy League has become coeducational, with Columbia College enrolling women for the first time in its 229-year history.

College administrators said the decision to admit 357 women along with 443 men had resulted in the most talented freshman class ever. But across Broadway at Barnard College, the women's school which refused to merge with Columbia last year, officials conceded they might lose many promising applicants. Barnard and Columbia students have long been able to take courses at each other's schools.

"My dad went to Columbia, my brother went to Columbia, and it was only fitting that I should go to Columbia," said Laurie Gershon, 17, of Westport, Connecticut.

"My Mom went to Barnard, but she wanted me to come here, too," said Miss Gershon Monday as the freshmen began moving into their dormitories. She said she had also been accepted at Barnard but had chosen Columbia because "I think a Columbia degree will have more prestige in the long run."

Of the 126 women who were accepted at both Barnard and Columbia, eight were enrolling at Barnard, said R. Christine Royer, director of admissions at Barnard. Dean Robert Pollack of Columbia College said that 78 of the women would attend Columbia and that the rest would go elsewhere.

Peace Movement Faces
Test in West Germany

Reuters

BONN — West Germany's large but disparate anti-nuclear movement faces its first major test this week with the start of its campaign to blockade U.S. military bases.

The action is to start Thursday at the American base at Bitburg, near the Luxembourg border, where Nike-Hercules anti-aircraft missiles are based.

The main demonstration is set for the following day, when prominent intellectuals and parliamentarian deputies are to lead a blockade of the U.S. base at Mutlangen, near the southwestern town of Schwäbisch-Gmünd.

Chancellor Helmut Kohl's government has refused to identify nuclear missile sites, but it is an open secret that Mutlangen will receive some of the first U.S. Pershing-2 missiles to be based in West Germany.

The North Atlantic Treaty Organization will station 572 Pershing-2s and cruise missiles in Western Europe by the end of the year unless U.S.-Soviet arms talks in Geneva are successful.

West Germany will receive all the 108 Pershing-2s — capable of hitting Soviet targets in 14 minutes — a decision the protest movement has said is an invitation for full Soviet strikes in the event of a conflict.

The movement, which claims support from several million people, is a coalition of politicians, artists, church leaders, and pacifists — with some radical extremists also loosely associated.

Pacifists said they would not go beyond lying in roads to block off

the bases, and would allow themselves to be carried away by the police.

"If we cannot control violent protesters," said Klaus Veck, secretary of the German League for Human Rights, "then our people have been instructed to leave the sites."

Mr. Veck was one of several hundred people who camped in a field near the Mutlangen base to prepare this week's action, which is to start what the organizers have said will be a "hot autumn" of protests at several U.S. bases.

American military spokesmen said West German police are responsible for keeping order outside the bases and that American troops will not be involved.

They declined to comment on reports that U.S. troops had secret instructions to "shoot to wound" if protesters forced their way into bases or arms dumps.

Leftist parliamentary deputies accused the American military of brutality when troops physically removed demonstrators from an air show at the Ramstein base early this month.

Among the prominent persons scheduled to attend Thursday's protest are the authors Heinrich Böll and Günter Grass. Parliamentary deputies from the opposition Social Democrats and the radical Greens coalition will also take part.

Recent public opinion polls showed increasing opposition to the NATO decision.

Richard R. Burt, U.S. assistant secretary of state for European affairs, said recently he was confident NATO had won the public opinion battle over the missiles.

Chemicals in Meteorite
Hint at Origins of LifeBy Philip M. Boffey
New York Times Service

WASHINGTON — An expert on the origins of life has reported that his laboratory found all five of the chemical bases of human genes in a meteorite and synthesized all five in a single laboratory experiment designed to show how they might have been formed in the primitive conditions on Earth billions of years ago.

Dr. Cyril Ponnamperuma, director of the University of Maryland's Laboratory of Chemical Evolution, said the findings gave a "transcendental boost" to the theory that life arose by natural chemical processes on Earth and may have arisen by the same processes elsewhere in the universe as well.

He said the laboratory synthesis and the meteorite analysis, taken together, provide strong evidence that the natural creation of chemicals that are "precursors of life" is a relatively simple step, likely to have occurred wherever the appropriate conditions existed.

But he cautioned: "We found only the precursors of life. We have not found life elsewhere. We have not made life in the laboratory."

The precursors that he referred to are the five chemical compounds that are the most important constituents of the genes of all living creatures on Earth. The compounds, known as adenine, guanine, cytosine, thymine and uracil, are the key molecules in DNA and RNA, two forms of nucleic acid that are involved in passing hereditary instructions from one generation to the next.

Dr. Ponnamperuma described his latest findings Monday at a news conference and in technical papers to the national meeting of the American Chemical Society.

His findings were described by knowledgeable scientists as an advance over previous reports but not a major breakthrough on the origins of life.

Dr. Ponnamperuma said a "very powerful" analytical procedure, involving high pressure liquid chromatography, gas chromatography, mass spectrometry and sophisticated extraction techniques enabled him to identify all five of the chemical bases "with a great deal of certainty."

He said that previous reports from his laboratory and others had tentatively identified up to four of the bases in meteorites. Now, he said, he is certain he has found all five in a meteorite that fell on Australia in 1969. A laboratory at the University of Missouri has just confirmed that finding. Dr. Ponnamperuma called it "almost an awesome result."

Even more important, he said,

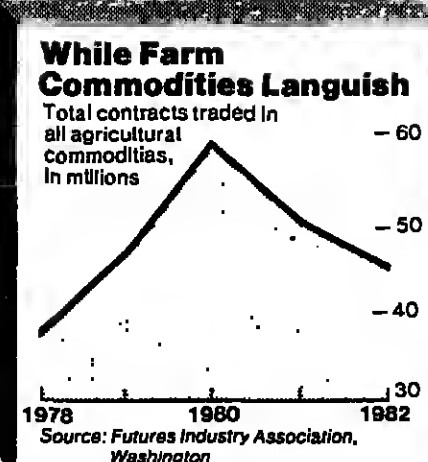
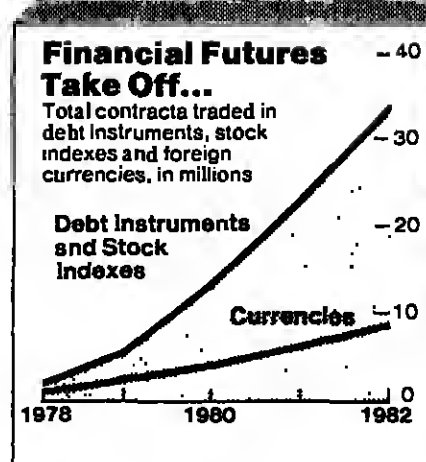
was the laboratory experiment in which he created all five bases "in one fell swoop" by subjecting to electrical discharges a mixture of methane, nitrogen and water, presumably similar to the Earth's atmosphere when life started billions of years ago. He said each of the five had been created previously in separate experiments, but this is the first time that all five had been created in a single experiment. He said this was evidence that chemical evolution is a relatively simple process that could have been accomplished in a single pool of liquid in primitive times.

Melvin Calvin, a chemist and Nobel laureate from the University of California at Berkeley, who has done extensive work on chemical evolution, said Dr. Ponnamperuma's findings were "not surprising" in the sense that, if one looked hard enough with sophisticated tools, one would eventually find chemical precursors to life in meteorites and laboratory simulations of primitive atmospheric conditions. But he said the new results lend more weight to the notion that the chemical steps that led to life on Earth could have occurred elsewhere as well.

Richard E. Dickerson, professor of chemistry at the University of California at Los Angeles, the author of a major review article on "Chemical Evolution and the Origins of Life" in *Scientific American* magazine several years ago, called the new findings "a nice advance" that is "of quite some interest" but "not a huge major scientific discovery that will win the Nobel Prize."

Stanley L. Miller, a professor of chemistry at the University of California at San Diego, said the most difficult task in unraveling the origins of life still lies ahead; namely, how did the precursor chemicals combine to create life forms that could reproduce themselves?

Dutch Journalists Jailed By Military in Surinam
The Associated Press
PARAMARIBO, Surinam — Two Dutch journalists have been jailed for entering Surinam illegally and taking photographs of military installations, according to the military.

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INSIGHTS

Macumba, Brazil's Pervasive Cults

African Elements Mixing With Christianity Across Nation

By Warren Hoge

New York Times Service

RIO DE JANEIRO — A major business decision was at hand so the São Paulo bank president gathered six associates, flew them to the Amazon and ritually sank blessed bowls of white and yellow manioc flour in the river's rolling waters.

Eager to beat out a competitor for a new contract, a Rio de Janeiro entrepreneur well known to the readers of the city's social columns went to a chosen stretch of desolate beach and buried himself and his wife in the sand with only handkerchiefs over their faces to keep them from suffocating.

In the one house still lit in the early morning darkness of a hillside slum in Salvador, capital of the state of Bahia, Péricles Vieira de Souza stepped dazed from a small airless room full of statues, talismans and cheap vases. On the floor behind him lay the bodies of sacrificed chickens. Clenched in his teeth was the head of a freshly killed goat.

All of these people were participating in rituals associated with various cults adapted from African religions — from spiritualism and voodoo to outright sorcery — that have swept through Brazil, the world's largest Catholic nation. Grouped commonly under the word *macumba*, and for years the targets of police raids, the sects now have more than 30 million adherents and are growing rapidly.

They have reached such a level of acceptance that pictures of the *macumba* orixás, or saints, appear on postage stamps. Their centers of worship are fixtures on the itineraries of campaigning political candidates and a principal *me de santo*, or mother of a saint, Olga de Alaketo, has been received at the presidential palace by Brazil's head of state, General João Baptista Figueiredo.

The rites vary greatly, but they are all dedicated to the general belief that man can contact spirits and influence them to act in his behalf. Richly ceremonial, they offer moral counsel, social services, group identity and the mystical promise of personal success to a population increasingly deprived of opportunity, hope and self-definition by a deepening economic crisis. Brazil has a 14.3-percent inflation rate, more than 20 percent unemployment in major cities and a \$90-billion foreign debt.

Macumba also institutionalizes a quintessentially Brazilian bent for finding a way around barriers, skirting tradition, getting things done, no matter how. "The Protestant idea of achieving grace through obedience and discipline is foreign here," declares Lisias Nogueira Negrão, a sociology professor at the University of São Paulo, who specializes in the subject.

Spontaneous Therapy

The cults provide a spontaneous type of therapy, a fulfillment of emotional needs as specific as how to keep from being struck by lightning, how to win at cards and how to make unwanted guests leave. To guarantee a good harvest, for instance, you toss salt in the air in a cross-shaped motion three times, throw an upside down collar over your head and burn straw at midnight.

Your lover is losing his ardor? Lace his food with honey. A rival needs compromise? Write his name on a piece of paper, put it in the mouth of a black toad and sew the lips shut.

To bring serious harm to an enemy, one enlists a practitioner of the dark secret form of macumba called *quimbanda*. Aside from the knowledge that its curses are often planted in midnight services conducted in cemeteries, the rituals of this Brazilian black magic go largely unknown but are widely feared.

"They say they don't do *quimbanda*, but they do," said the Rev. Boaventura Kloppenburg, auxiliary bishop of the diocese of São Salvador, who is leading the Roman Catholic Church's response to the cults. "I can tell you how many people I've seen who say they are the victims of *quimbanda*."

Hard by air-conditioned banks and supermarkets with the latest consumer inducements are macumba shops selling plaster statues of orixás, herbs, cowrie shells, glass bead necklaces, tarot cards, parrot feathers, rat furs, alligator teeth, bats' wings, dogs' jaws and dried coconuts.

Ceremonies such as the mass offerings to the waters that followers of *umbanda* stage on Copacabana Beach on New Year's Eve attract tens of thousands of onlookers, outdrawing the church's traditional saints' days processions.

An off-cited indication of Brazil's religious fervor is the presence in Salvador of 356 churches. Today, the city has nearly four times as many centers of the *candomblé* religion, which has fused tribal gods and Christian saints in its rituals. Cardinal Avelar Brandão Vilela, archbishop of Salvador and the Roman Catholic primate of Brazil, warns that this development signals the "Africanization" of the country's habits of worship. Haiti's voodoo, which comes from similar African roots, has not intermingled with Christianity to the extent that Brazilian macumba has.

It's Like an Invasion

"The white middle class is joining these groups so fast that it's like an invasion," says Luiz Ferreira de Araújo, a wealthy construction executive in Salvador and a confirmed *ogan*, or overseer, of a *candomblé* center.

The invasion has already taken hold elsewhere in Brazil. The southern state of Rio Grande do Sul that was settled by Germans and Italians and Poles is now home to 100,000 *umbanda* congregations. Close behind are São Paulo, the country's business and industrial capital, with 90,000 and Rio de Janeiro, the country's cultural hub, with 60,000.

"We even have problems now in Uruguay, and there are no blacks there," reports Bishop Kloppenburg. "It's an export of ours," says Professor Negrão. "We have macumba confederations that have opened up branches in Argentina, as well as in Uruguay."

The sects have not, however, showed up in those parts of South America with strong Indian cultures, such as Bolivia, Peru and Ecuador.

In Brazil, the movement has not been restricted by the class barriers that affect other aspects of national life. It is as common to see the ritual gifts of food, cigars and bottles of *cachaça* — raw sugar cane distillate — on street corners in the upper-class beachfront Copacabana and Ipanema districts or the landscaped intersections of modernistic Brasília as it is in São Paulo's sooty industrial suburbs or the *favela* ghettos of Rio.

The São Paulo banker's trip to the jungle had been prescribed by an *umbanda* priest in an office transformed into a grotto ringed with satanic statuary and illuminated by red lights. "He's been a tremendously successful banker," a friend and a fellow believer said, "and he believes that all of it comes from *umbanda*."

The conversation took place in the woman's duplex penthouse apartment in Rio. Out beyond the darkened veranda where she custom-

arily leaves her offerings to macumba saints, shines the floodlit white granite statue of Christ the Redeemer, the towering symbol of established faith in Brazil. All but 10 percent of the country's 120 million inhabitants call themselves Catholic.

Bishop Kloppenburg, a German-born Franciscan priest who was raised in southern Brazil, has challenged macumba in a number of theological books and studies and has armed himself with the psychokinetic technique to make tables levitate in his campaign to disabuse adherents.

"They are clearly offering things that we don't, but those things would be demagogic for us," the bishop said in his book-lined seminary office in Salvador. The hilltop institution abuts a slum area of clapboard and scrap-metal shanties that contains at least three *candomblé* centers. "We must approach them with sympathy, not to offend, but with a firmness in the things in which we believe," he said. "At a certain point, though, we have to be intransigent."

Finding that point has been made more difficult by the tendency of macumba worshippers to maintain a nominal Catholic identity while incorporating Catholic observances into their own rites. Brazilian children have traditionally been baptized in the name of God the Father, but increasing numbers of them these days are also being baptized in the names of such deities as Ogum and Xango [pronounced SHAN-go]. When Mother Menininha de Gantois, the most revered living figure in *candomblé*, was asked to name her religion during the 1980 census, she replied, "Catholic."

That syncretism goes as far back as the sects themselves. Slaves associated their own saints with Catholic counterparts so they would not be repressed in the practices of their own religions. The characteristics of the macumba deities recalled those of Catholic saints. Ogum, an African god of war and iron, became St. George, killing the dragon with his spear; Oxóssi, the hunter with a quiver full of arrows, was linked to St. Sebastian, who was condemned to be executed by Roman archers, and Omulú, an orixá associated with witch-doctoring and cemeteries, was Lazarus, who rose from the dead.

While many plantation owners and parish priests thought the prayers and dances in the slave quarters were in homage to Jesus and Mary, the worshippers were actually rendering tribute to Oxalá and Yemanjá, mother and daughter female gods of the Yorubas of Africa.

Macumba, in turn, penetrated Catholic belief because the Portuguese faith, tempered by centuries of occupation by Islamic Moors, was less rigid than the Catholicism practiced elsewhere in Europe. Many of the first settlers of Brazil arrived already believing in the healing powers of spirits and the menace of the devil, two fundamental concepts in macumba.

Brazilians are prone to gamble and there is an element of hedging one's bets in keeping both faiths burning. "It would baptize in every kind of religion," a character in Jorge Amado's "Shepherds of the Night" tells a new father, "with the priests, Jehovah's Witnesses, all the Protestant sects, and spiritualists too. That way he could be absolutely guaranteed and couldn't miss out on heaven." Brazil's best-selling author, Mr. Amado is a supporter and a prominent member of a *candomblé* group in Salvador.

Initiation Rites

The most dramatic expressions of syncretism today are the macumba initiation rites of the *filhos e filhas de santo*, the sons and daughters of a saint, which include a period of solitary confinement, as well as imbibing herbal brews, shaving the head, making incisions in the scalp, painting white spots on the body and immersion in the blood of sacrificed animals intended to produce a state that Pierre Verger, the leading scholar on *candomblé*, calls "stupefaction and suggestibility." The rites culminate with the young novices attending Sunday morning Mass.

The varying types of macumba practiced throughout Brazil confer different degrees of authority on the children, fathers and mothers of saints, with *candomblé* being the most reverential. In all the cults, the saints' representatives are generally considered to be "guides" who use their heightened capacity to lure saints to earth to aid supplicants. One can become *pai* or *mãe de santo*, father or mother of a saint, without first having been a son or daughter of one. There are cases throughout Brazil where men and women in their 20s have been designated fathers and mothers of saints and who lead congregations, including saints' sons and daughters who are three times their age.

Balbino Daniel de Paula, the *pai de santo* of a *terreiro*, or *candomblé* center, on Salvador's outskirts, was born and raised in Brazil. When he visited Nigeria several years ago, however, he was able to participate fully in the chanting and dancing of a Yoruba feast to Xango, the god of thunder. The *candomblé* practiced in Salvador and elsewhere in the state of Bahia is still the purest expression of the African religion that was brought to Brazil in the squalid holds of slave ships.

The first known *terreiro* was set up by three Nigerian women in Salvador in 1830, and during the century that followed, *candomblé* remained the almost exclusive province of poor blacks. In the more prosperous southern center of the country, the alternative form of worship that gained a foothold was the spiritism of a French teacher, Hippolyte Leon Denizard Rivail, better known by his pen name, Allan Kardec. His work "The Book of Spirits" gained a devoted readership when it arrived in Brazil in 1858.

Both cults appealed to the basic mysticism of Brazil, but while the Kardecist seances of clasped hands and classical music were too anemic and European for local taste, the rites of *candomblé* were viewed as too primitive. Brazilians will say that theirs is a society free of racial prejudice, but this is, at best, a well-intentioned self-deception. Racism exists and it played a part in the reluctance of many spiritist-inclined Brazilians to embrace pure *candomblé*.

Umbanda on Middle Ground

The middle ground became the terrain of *umbanda*, founded in the 1930s in Rio. Although it took on the outer trappings of *candomblé*, such as the wearing of white, dancing to drums and other paganistic associated with individual saints, it incorporated spiritism's central belief in communication with the dead and reincarnation.

Umbanda is fluid and adaptable to the realities of the lives of its parishioners. It can make saints out of prostitutes and street-corner hustlers. Where *candomblé* still celebrates each saint's ceremony on the appointed day, *umbanda* often strings together several saints' days for a Saturday celebration to make it easier for working-class members living in distant industrial suburbs to attend the ceremonies.

Among the characters *umbanda* added to the panoply of *candomblé* saints were Old Black Slave and Seven Arrows, an Indian figure. This mixing of African, American Indian and Euro-

pean cultures has endowed *umbanda* with great staying power and the promise of continued growth in Brazilian society, which is itself a mixture of those same three elements.

Another allure of *candomblé* and *umbanda* to Brazilians is the sects' emphasis on nature, a palpable force in a country with a riotous profusion of living things. The macumba saints each represent such elements as the sea, storms, rivers, jungles, lakes and thunder. The sects' common emphasis on natural things also gave rise to herbal treatments and faith healing. "The pharmacology of *candomblé* is as valued here as the medical school type," says Yeda Pessoa de Castro, director of the Afro-Oriental Study Center of the State University of Bahia.

Rubim de Pinho, a noted psychiatrist in Salvador and an *ogan* (a member who provides material support but takes on no religious obligations), believes the cults are beneficial to public health. He says that *candomblé* leaders do not presume sophisticated medical competence and that they are quick to recommend conventional medical attention for clearly psychotic people.

"In some cases mystic stimulation accentuates fantasies and frustrations," he says, "in many others it seems to bring adjustment and serenity. In the psychiatric pathology of present-day Brazil, religious examples of psychosis have come to be very rare."

"What they really treat is affliction in general," says Peter Fry, a British professor of anthropology at the National Museum in Rio, who has worked in Brazil since 1970. "It's as much settling lover's quarrels, finding work and telling people how to make money as it is curing disease."

In São Paulo and the south, *umbanda* gained its legitimacy in the 1960s, at the same time a boom economy was expanding the country's middle class. The two reached maturity together.

Umbanda seemed to offer solutions to problems that the middle class had not that Brazil's inattentive and underfinanced government services could not address. "That doesn't mean that these people dropped the old, empirical, proven ways," says Professor Negrão. "They'll go to the doctor, take their medicine, and then go to the *pai de santo*. It's not irrational or ignorant. It simply represents an added measure of security. They believe there could be more factors involved than the doctor alone can take care of."

Umbanda has not challenged Brazil's governing conservative politics and does not alarm the military. Local candidates vie for the favor of the congregations, and lower-ranking officers and police commanders are among those who join the movement, which remains one of the few outlets of unrestricted expression and public esteem.

The capacity of faith to heal plays a central role in the religiosity of Brazilians, the vast majority of whom are poor and have scant access to doctors. When Pope John Paul II visited Brasília three years ago, José Ribeiro, an ailing 74-year-old, ignored doctor's orders to stay at home and watch the pope on television. Explaining why he insisted on attending an outdoor Mass in person, Mr. Ribeiro said, "You can't get cured over television."

Television and magazines devote great space to the claims of faith healers and spirit mediums around the country. The most noted one today is a retired Agriculture Department clerk named Francisco Cândido Xavier, 73. Known as Chico, he says he has the power to write down the dictated thoughts of spirits. Once in contact with his deceased authors, he transcribes words onto large pieces of white paper like an electrocardiogram machine recording a heartbeat. The books thus produced have sold more than 10 million copies.

The most famous of Brazil's faith healers was a government functionary named José Pedro de Freitas, known as Zé Arigó. A spiritist, he claimed he was the reincarnation of a 19th-century German doctor.

He averted onlookers' pangs of journalists and physicians by conducting delicate surgery on a patient using kitchen knives, tweezers and a pair of scissors kept in a tin can. His specialty was eye operations in which he would extract the eyeball from its socket with his knife, remove whatever the affliction was and set the eyeball back in place.

Zé Arigó died in an automobile crash in 1971, but Edson Cavalcante de Queiroz, a spiritist, has taken his place as the earthly embodiment of the spirit of so-called "Dr. Fritz."

Edison Bastos Gasparini, the mayor of Bauru, went to him last April for the removal of a brain tumor that medical doctors had been unable to extract. Mr. Gasparini was one of 123 patients that day; the surgery lasted 35 seconds, and he has since experienced no more pain.

"They conquered me with the sheer depth of their faith," says the Rev. François de L'Espignay, a 54-year-old French priest in Salvador who formally joined *candomblé* in 1978 and now, in addition to saying Mass, serves as a minister of Xango. "In no moment have I felt my faith in contradiction."

"My intention," says Father de L'Espignay, "is to show the Catholic church that what we have here is a religion that has a tradition so old that we cannot even date it and whose basis is the revelation of God, like the Christian revelation, but adapted."

What amazes Bishop Kloppenburg is, he says, "that intelligent people accept this mixture of such contradictory elements."

"They perform sacrifices, and this for the church is not acceptable," he says. "We admit to only one lord, Jesus, and that is fundamental doctrine. As for spirits, we accept their existence, but not the idea that they can be summoned. They perform black magic and we can't accept that either."

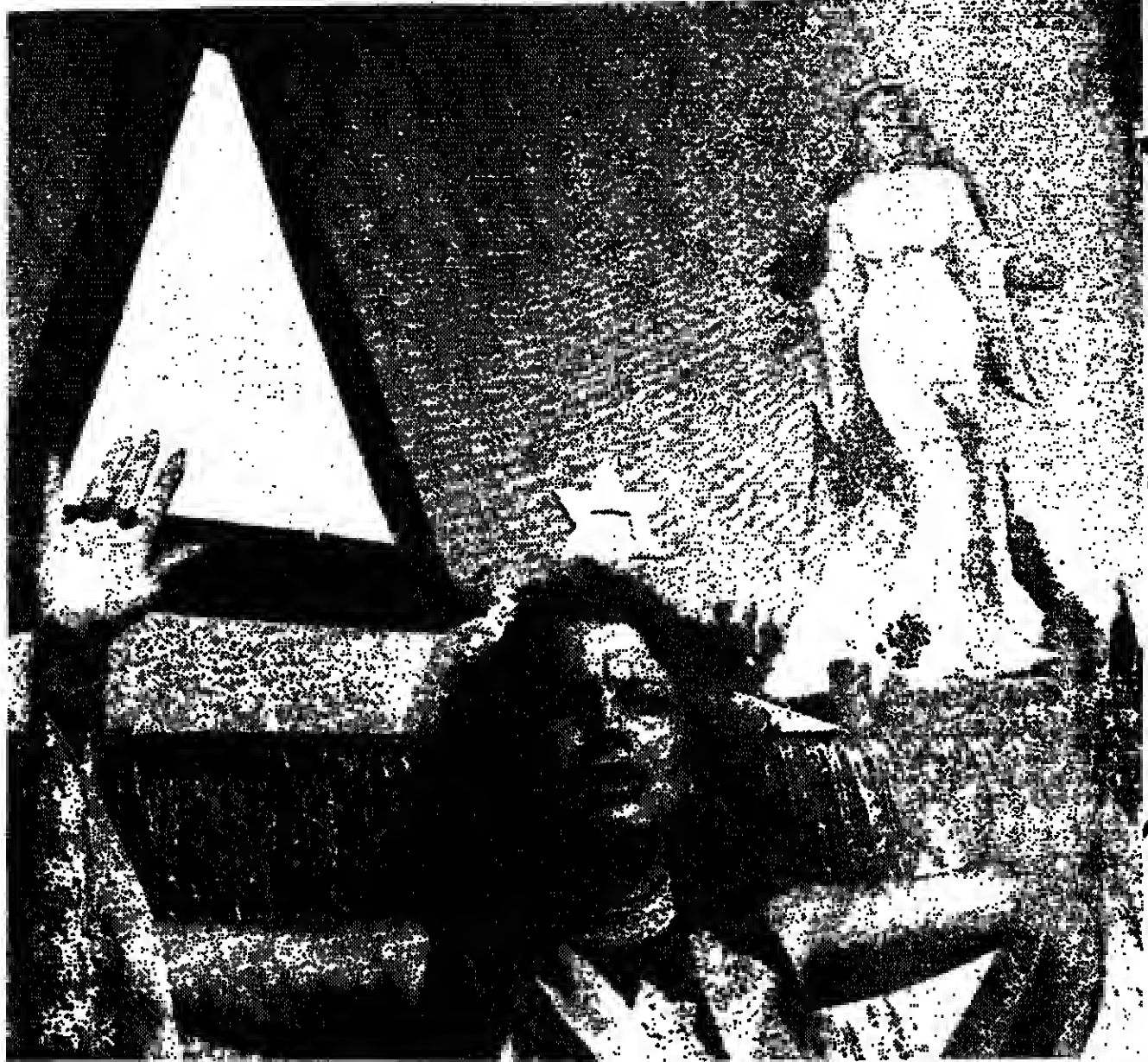
"What their initiation amounts to," the bishop says, "is hypnotizing people and then indoctrinating them. This is a crime against the dignity of the individual, and we cannot accept it."

He conceded there were some similarities between macumba and Catholicism. "They have abundant ritual and ornamentation, and the church does, too. They are strongly traditional and give great value to authority figures, like we do. As for their orixás, we have saints and angels and have also always operated on the basis on intermediaries, and what they call *axé*, their divine force, is like the Christian state of grace."

There is no evidence that the church's warnings are swaying Macumba believers from their co-existing faith or halting the flow of Catholics into the sects.

When the pope visited Salvador in 1980, the church authorities relegated the appearance of *candomblé* members to the presentation of a dance. Leaders of the sect complained that they had been "marginalized" to a "folkloric" role.

Then they took credit for the fact that heavy rains fell on Salvador the entire time the pope was there.



Brazilian spiritualist conducts a meeting near Brasília. Sect meetings sometimes involve the ritual sacrifice of animals.

Computer Snoop — A New U.S. Breed

That Roams the Leaky Data Networks

By William J. Broad

New York Times Service

NEW YORK — Computer experts say cracking a sophisticated computer network is far easier and has become far more common than has been generally believed. They say the recent intrusions by Milwaukee youths, for example, in no way represent an especially ingenious maneuver that could be achieved only by electronic wizards.

As a result, serious steps are being taken to prevent or discourage such computer snooping, although some experts are concerned about how effective such steps can ever really be.

Rapid changes in technology have suddenly brought on an era in which almost anyone with sufficient determination, time and patience, and an office or home computer, can hook into a growing international web of business and military computers, according to the experts.

This fact dramatically increases the risk of minor disruptions of the kind committed by the Milwaukee teen-agers, who say they penetrated deep into the information-processing systems of dozens of businesses and other institutions. It also increases the threat of industrial espionage, data theft, financial fraud, embezzlement, bribery, extortion and sabotage.

Some experts say the problem has grown to the point that \$300 million is lost each year to computer criminals in the United States alone.

Legislation Considered

Ease of invasion and the prospect that the situation may worsen as millions of new computers are hooked into telephone networks has increased calls for protection. Congress is considering legislation that would create clear-cut criminal penalties for tampering with data. Moreover, computer experts say recent national attention to the problem is spurring efforts to patch the currently leaky systems.

"It's terribly unhelpful for computer centers and networks to have the low level of security that they do," said Martin E. Hellman, a computer scientist at Stanford University, who advises the federal government on the subject of cryptography. "It's like leaving the keys in the ignition of an unlocked car."

According to federal law-enforcement officials and computer experts in the academic world and industry, the problem is fueled by a mix of technical and social factors. There are three main ones: the growth of nationwide data networks, the increasingly wide penetration of them by small computers hooked to telephone lines through devices called modems and the rising sophistication of computer users and professionals who are learning how to roam the networks.

"The proliferation is recent," said William Carter, a spokesman for the Federal Bureau of Investigation. "It's only in the past few years that you could buy a computer and modem for under \$1,000. If you know the codes, you can break into just about anything. It's a new kind of crime."

Some experts, such as Donn B. Parker, a private computer security specialist, are less than sanguine about the prospect of enhancing the role of computer police.

Range of Vulnerability

"With even the most advanced computer systems, there is no known practical way of protecting user organizations if penetrations have sufficient skill, knowledge, access and resources," said Mr. Parker, who works at SRI International, a research institute in Menlo Park, California. "And now that more computer systems are being interfaced to dial-up telephone networks, a whole new range of vulnerability has been added to systems where we are already unable to prove or maintain integrity."

Penetration into the misty realm of computer networks can be easily and legally achieved by anyone with a home computer and the proper modem, a device selling for \$100 or so that converts a computer's digital pulses into electromagnetic waves that can be transmitted over a phone line. One simply dials the seven-digit local telephone number of a data network and starts roaming the electronic ether. For instance, GTE Telenet, one of the networks used by the Milwaukee group, publicly lists the telephone numbers of its 230 offices across the country.

Once dialed into Telenet, a home computer user can attempt to contact any of 1,200 large business and military computers. The desina-

tion codes of those computers are secret, but creative trial and error often works. The current system is really quite obvious and logical.

First, a user simply types in a three-digit code to choose a geographical location. The numbers are merely the telephone area code, such as 415 for San Francisco. Then the user types in a two or three-digit code that specifies the computer. After such a code is entered, the screen might carry messages such as "Illegal Address," "Not Reachable," "Not Responding" — or it might suddenly flash something like "Connected to 415 24."

At that point, a personal computer user is hooked to a distant computer and in some cases can carry on a long conversation without having to enter a secret password that grants access to its inner reaches. One computer in Colorado, for instance, will educate a caller on its preferences for billing codes and password formats if the caller types "HELP."

"A user number tells the computer who you are, and to whom billing is to be made," it kindly explains. "It usually consists of a letter followed by five digits."

The Welcome Mat

To go further and try to fake a password is illegal. But getting almost anyone to a computer's welcome mat is the whole purpose of the system, according to Telenet officials.

"Security is entirely dependent on the host computer," said Floyd Trogon, head of network services at Telenet.

"We have a public network; it needs to be user-friendly," Mr. Trogon said, meaning understandable by the layman. "Would we consider making it harder to penetrate? We might. But you have to recognize that we provide a service and that the general customer wants easy access."

Disagreeing are experts such as Robert D. Bressler, who says the networks will be forced to tighten security.

"At the beginning, companies make it easy to get on and assume that people are going to be nice," said Mr. Bressler, the vice president for development and engineering of RBN Communications Corp., a company that helped pioneer the development of data networks. "That lasts for a while and then you have to add access control. You can't just leave all the doors open."

Not the least reason for tighter security is that unauthorized roaming through a network costs money. And since host computers often front the bill, there is little to discourage the snooper.

Specialized Networks

The conduits for the explosion in coast-to-coast computer "talk" are specialized networks that are far cheaper than regular telephone lines for their users.

Because of their low cost, these networks have grown tremendously in the last decade. Sending computer data for an hour over a regular Bell System telephone line costs about \$32, according to Telenet officials. The same service costs a Telenet user about \$8. Other such data networks include Tymnet, the Bell System's Advanced Information Service, Uninet and the IBM Information Network.

These networks employ a technique known as packet-switching, in which the network sorts out billions of packets of data transmitted in a continuous stream. Each packet is coded to tell the network where it is headed. What makes packet-switching so efficient is that it does not tie up a wire the way a regular phone call does. A pause in an ordinary telephone chat with a neighbor, for instance, does not cause some third party to come crashing in to take over the conversation during the gap. But in a packet-switched network, pauses and other fluctuations in the electronic flow — and, for a variety of reasons, there are many — cause the network to fill in with a message destined for someone else so as not to waste valuable time. The wire is thus always working at nearly full capacity.

No Secret Data

Such networks are used by concerns from airline reservation services to government laboratories that perform classified research. The Los Alamos National Laboratory in New Mexico, which had an unclassified computer penetrated by the Milwaukee group, uses Telenet for an exchange of electronic messages with researchers at universities and other federal laboratories across the country.

Dr. Robert Ewald, head of the federal laboratory's computing division, stresses that none of

these computer systems carry secret government data.

"It's just a very fast way to allow the accurate exchange of scientific information," he said. For security reasons, according to laboratory officials, computers with top-secret information are not linked to the outside world via telephone lines. The same strategy is often employed by other institutions, public and private, that place a high value on security.

But the computers on the packet-switched networks are under an increasing threat as more small computers are sold and more people are introduced to the networks. As an introductory offer to entice customers to its services, an information service called Compuserve offers new owners an hour's free time on its computers. That requires a quick course in how to negotiate a packet-switching network.

"The potential for security breaches is increasing with the number of people who have technical abilities," said John Borden, a senior analyst with the Yankee Group, a Boston-based market research company. The Yankee Group estimates that by 1986 the nation's data networks will be accessible from almost 9 million desktop computers.

Several protections against the rising potential for computer crime have been developed. The easiest is to have a large computer on a data network reject a caller if he tries more than two bogus passwords. Surprisingly, experts say many computers on public packet-switching networks allow a caller to try huge numbers of passwords, greatly enhancing the chances of a successful break-in.

Verification of Users

Another defense is to tighten up entry into a data network in the first place. Several companies have begun to market devices, for instance, that carry entry into a network by checking a caller's password against a list of authorized phone numbers. The user must hang up, and the network then calls him back for verification.

"The problem is that there's a huge disincentive for a public network to do that," said Mr. Borden. "It would discourage customers because of the slow access."

The oldest packet-switched network is run by the Department of Defense and known as Arpanet (after the Pentagon's Advanced Research Projects Agency). Its designers in nearly two decades of development have built increasingly formidable barriers to break-ins, perhaps foreshadowing the direction that the public networks will follow. One innovation was to create a subnetwork separating classified work from more mundane tasks.

Ultimately, however, many experts say that technical defenses will always fall short of the goal of total security.

"The real weak link isn't machines, it's people," said Mr. Borden. "If somebody tells you a password, it's all over."

Need for Better Definition

Recognition of this unpleasant truth has fueled a drive to write laws governing computer crime. Currently, federal law-enforcement officials say, few statutes deal with such offenses.

The Federal Bureau of Investigation, for instance, is pursuing the Milwaukee case under laws covering fraud by wire and destruction of government property. But officials say the problem needs to be defined more broadly.

"We need a better definition of property," said Tony Adamski, chief of the FBI's financial crimes unit, which handles many of the bureau's computer cases. "Another thing is the notion of trespass. The idea under common law is that going into someone else's home is trespass, but that's not the case with a computer, at least from a criminal point of view."

Some 20 states have passed legislation covering computer crime, and the issue is getting attention on Capitol Hill. Two identical bills, the House version put forward by Bill Nelson, Democrat of Florida, and the Senate one by Paul S. Trible Jr., Republican of Virginia, seek to set penalties for people who tamper with, abuse or steal from federal computers or private ones used in interstate commerce. Mr. Nelson plans to hold hearings on the legislation in September.

Some estimates put the problem at \$300 million a year, said Stephanie Sears, an aide to Mr. Nelson. "Whatever the figure, it increases each year, and that is a result of increasing access to the technology. Everybody seems to have a home computer these days."

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BUSINESS PEOPLE

Chairman's Post to Open at Grindlays As Ritchie Takes Over From Robson

Grindlays Bank, the British-based international bank over which Citibank obtained firm control this month, is looking for a new chief executive.

The position will open up when Alec Ritchie, deputy chairman and chief executive, succeeds Nigel Robson as chairman of Grindlays Holdings and Grindlays Bank. Mr. Robson, who will step down at the end of the year, has been chairman since 1977.

Under a complex reorganization plan, Citibank is to hold 49 percent of Grindlays Holdings, the parent company of Grindlays Bank. Lloyds Bank is to hold 21.3 percent. During the past year Citibank has tried to sell its stake in Grindlays Bank. A senior Grindlays Bank executive said he thought Citibank would try again to sell the holding once profits improved.

The executive said that he did not expect Citibank to send in its own executives to run the bank as it did in the mid-1970s, when Citibank came to Grindlays's rescue.

British Rail Awaits Parker Successor

Less than two weeks before Sir Peter Parker retires as head of British Rail, the government has yet to name his successor.

Sir Peter, 59, plans to leave British Rail on Sept. 11, exactly seven years after he became chairman, a position that carries a salary of about £60,000.

"We're waiting here to hear who his successor is, not a word," a spokesman at the British Rail press office said. "We would have expected to have heard some time ago."

If no successor is found, "we'll have to wait to see how the ship is going to be run," the spokesman said.

Officials at the executive search firm of Koon/Ferry International in London insist that a new chairman will indeed be found and that perhaps the government is waiting to name Sir Peter's successor until nearer to his departure date.

British Rail, which lost \$174 million last year, asked Koon/Ferry late last spring to help it find a new chairman.

On Sept. 14, Sir Peter will again become chairman of the Rockware Group, a glass, plastics and engineering company, which recently reported a half-year loss of £8.5 million. Sir Peter, now deputy chairman, relinquished his Rockware chairmanship just before his appointment to the British Rail board.

He will succeed J.H. Craigie at Rockware. A source close to Sir Peter said that, in addition to the Rockware post, Sir Peter was considering "another position that is not yet finalized."



Sir Peter Parker

Other Appointments

Banque Française du Commerce Extérieur has named Pierre Antoni director general, succeeding Albert Bouvier, who has retired. Mr. Antoni was the bank's director general adjoint.

Bruno Moschetti has joined Al Saudi Banque in Paris as general manager. He was formerly executive vice president of Société Générale de Banque, a subsidiary of the Paris-based Société Générale. Mr. Moschetti is president of the French Foreign Club and chairman of the banking committee at the Franco-Arab Chamber of Commerce.

Scandinavian Bank Ltd. in London has appointed Christopher Hammond executive director in charge of its new U.K. banking division. Mr. Hammond was previously with Midland Bank International as controller, corporate development. David L. Evans has been promoted to general manager, Eurobond dealing, at Scandinavian Bank.

National Westminster Bank in London has appointed Philip Gille and Ron Bewley directors. Mr. Gille is general manager of NatWest's domestic banking division. Mr. Bewley is general manager of the international banking division.

Couche Bank, NatWest's merchant banking arm, has named its deputy chairman, John Pedersen, to be chairman, effective Jan. 1. John Leighton-Boyce will retire as chairman at the end of this year but will continue to serve on the board.

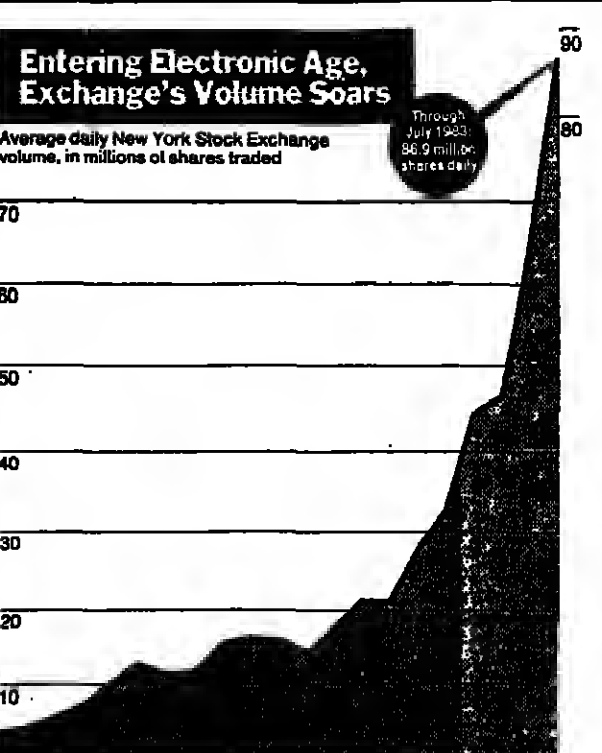
The Inter-American Development Bank has named Georges D. Landau alternate special representative in Europe. Based in Paris, he succeeds Carlos Alvarado, who is returning to the bank's headquarters in Washington to become deputy secretary. Mr. Landau was formerly in the plans and programs department in Washington, where for the past 10 years he has been on the faculty of Latin American studies at Georgetown University.

Robert H. Fast has been named deputy general manager and executive vice president of Bahrain International Bank in Manama. Mr. Fast is currently managing director of customer services for Codel, the Luxembourg-based clearing organization for Eurobonds. He joins Codel from Banque de la Société Financière Européenne in Paris.

—BRENDA HAGERTY



The trading floor of the New York Stock Exchange.



Entering Electronic Age, Exchange's Volume Soars

Average daily New York Stock Exchange volume, in millions of shares traded

NYSE Traditions Thrive in Computer Era

By Michael Blumstein
New York Times Service

NEW YORK — It was the mid-1970s, when some Wall Street pundits predicted that the New York Stock Exchange would wither, its tumultuous trading floor to be replaced by quietly humming computers, its majestic building to become a monument of a bygone era.

In this instance, though, the predictions have so far been wrong. The New York exchange, the outgrowth of sidewalk trading in the 1970s, has continued to thrive, and not even chief competitors predict its demise any time soon.

"I think the news of their death was premature," said Gordon S. Macklin, president of the

National Association of Securities Dealers, which runs the competing over-the-counter market.

The records prove that the New York exchange is doing well. As it did in 1975, the exchange today handles about 85 percent of the trading in the shares listed on the New York Stock Exchange, with the rest changing hands on competing exchanges or over the counter. And as volume soared in the bull market, the New York Stock Exchange handled a record 16.5 billion shares last year, with daily trading reaching as high as 149 million shares with hardly a hiccup.

The bottom line has reflected these successes: The exchange's "net revenue," the equivalent of

profit, was \$3.8 million last year, up 40 percent from 1981.

Although the exchange now faces intensifying competition from the National Association of Securities Dealers's over-the-counter market for new listings, the future of the New York exchange also looks reasonably bright. Boosting its fortunes recently were decisions by Merrill Lynch & Co., parent of the largest U.S. brokerage firm, to pull out of two experimental trading systems that have been seen as threats to the New York exchange.

It was the middle 1970s when many people who follow Wall Street were hardly sanguine about the future of the exchange. It was criticism (Continued on Page 9, Col. 2)

VW Posts 1st Half Loss; Poor Latin Results Cited

By John Tagliabue
New York Times Service

BONN — Volkswagen, West Germany's largest automaker, said Tuesday that it had the equivalent of a \$55.05-million loss in the first half of 1983, compared with a profit of \$23.59 million in the comparable 1982 period. The company said the loss resulted mainly from poor results in South America and Mexico.

At the same time, VW said it had ended its talks with Chrysler on possible cooperation at the company's New Scranton, Pennsylvania, plant.

VW, in an interim report to shareholders, said Volkswagen of America, the U.S. subsidiary, which had a \$136-million loss for all of 1982, finished the half-year with a "slightly positive result," despite a 2.4 percent drop in unit sales, to 123,344 cars.

But VW said its subsidiaries in Brazil and Mexico continued to suffer from "uncertainty and price controls and considerable devaluations" that posed a "considerable burden" for the corporate parent.

VW said worldwide sales in the period dropped 4 percent, to 1,128,000 cars, from 1,175,000 cars a year earlier. Worldwide production declined more sharply, by 6.7 percent, to 1,133,000 cars from 1,215,000 cars, as dealers cleared heavy inventories.

VW said sales of its cars imported into the United States rose to 70,000 cars, 9.3 percent more than the 64,000 cars it had imported a year earlier. Production of the Rabbit at the New Stanton plant, however, continued to decline, to 53,300 cars from 62,000 in the comparable period a year earlier.

The first-half loss at VW followed a loss for all of 1982 equivalent to \$112.3 million. But the company saw encouragement in the fact that this year's second-quarter loss had been shaved to \$17.6 million, after a first quarter loss of \$37.4 million.

A VW spokesman, commenting Tuesday afternoon on West German news reports that the talks with Chrysler had broken down, said the company had no intention of denying that discussions about concrete areas of cooperation had ever taken place.

Volvo's STC May Sell Unit

International Herald Tribune

LONDON — Scandinavian Trading Corp., Volvo's troubled oil-trading subsidiary, said Tuesday that it may sell its STC Finance unit to a company partly owned by the pop music band Abba.

Tedde Jeansson, president of STC, said the company was negotiating a possible sale of its finance house to Infimas, a smaller finance house set up by Polar Music International, Abba's record company. He refused to estimate the value of the proposed sale but said a merger of STC Finance and Infimas would create one of Sweden's largest finance houses.

An announcement is likely Thursday, Mr. Jeansson said. Trading was suspended Tuesday in the shares of both STC and Infimas.

STC recently announced a loss of 268 million Swedish kronor (\$34 million) for 1983's first half.

Prices on NYSE End Slightly Higher

United Press International

NEW YORK — Prices on the New York Stock Exchange, aided by a few bargain hunters, rose slightly Tuesday, but trading was slow as many investors went on vacation before the Labor Day weekend.

Railroad issues, which analysts say should post excellent third-quarter earnings, were among the strongest on the list, along with some battered high-technology and steel stocks.

The Dow Jones industrial average, which added 2.04 Monday, closed at 1,196.04, up 1.93 points, after challenging the 1,200 level at midsession. The Dow has traded in a range of 1,180 to about 1,200 for the past two months after surging to records.

The Dow Jones transportation average did better, gaining 5.36 to 538.21.

Advances led declines 884-675 among the 1,955 issues traded.

Volume rose to 62.4 million shares from the 53 million traded Monday, the slowest session of the year. But the turnover was far short

of the average daily volume of nearly 87 million over the past year.

"I don't see anything significant happening until after Labor Day, when investors get down to the business of thinking about their money again," said Harry Villor of Sutor & Co., Palo Alto, California.

"The Dow probably will slip up above the 1,200 level soon and that will be followed by a decline to 1,150 before the market begins another major move up," Mr. Villor predicted.

Many observers said Wall Street has been hoping that the economy would moderate its torrid recovery pace of the past few months to avoid rekindling inflation.

But there was little reaction to the government's report Tuesday that new factory orders fell 1.7 percent in July, the first decline since December. A Moody report showed new-home sales fell 6.5 percent in July because of higher interest rates.

Some traders were restrained by news that federal funds rates traded as high as 9 percent during the

day, up from 9 percent. Bond prices weakened as a result.

Diamond Shamrock was the most active NYSE-listed issue, off 1/4 to 22 1/2. Shareholders approved its merger with Natomas. Natomas stock added 1/4 to 26 1/2.

Chrysler, mentioned favorably in a published report, was the second most active NYSE-listed issue, up 1/2 to 26 1/2. American Telephone & Telegraph was third, off 1/4 to 64 1/2.

Blue-chip IBM lost 1 1/2 to 117 1/2, but some other high-technology issues attracted attention after skidding the past three months.

Digital Equipment, which exhibited new products at a trade show Monday, gained 3 to 99 1/2. National Semiconductor rose 2 1/2 to 53 1/2. Varian Associates 3 1/2 to 54 1/2. Tektronix 2 1/2 to 75 1/2. Sanders Associates 2 to 99 1/2 and Coleco 2 to 39 1/2.

In the steel group, National Steel gained 1 1/2 to 26 1/2. Republic Steel 1 to 24 1/2 and Bethlehem 1/2 to 22 1/2.

Du Pont eased 1/4 to 51 1/2 and Rohm & Haas gained 2 1/2 to 69 1/2.

CURRENCY RATES

Interbank exchange rates for Aug. 30, excluding bank service charges

| | \$ | £ | DM | FF | Y | Sc | DK | Sw | N |
|--------------|---------|---------|--------|--------|--------|--------|---------|--------|---------|
| Amsterdam | 2.0845 | 4.30 | 111.85 | 27.13 | 0.1875 | — | 5.81 | 137.35 | 212.05 |
| Buenos Aires | 54.13 | 81.02 | 26.109 | 4.676 | 3.2085 | 17.985 | — | 34.701 | 5.284 |
| Frankfurt | 2.0901 | 4.2935 | — | 25.23 | 1.676 | 89.59 | 4.974 | 123.14 | 21.27 |
| London (3) | 1.478 | — | 4.2276 | 12.123 | 2.0435 | 4.529 | 81.23 | 3.222 | 14.519 |
| Moscow | 1.04535 | 2.04118 | 394.80 | 198.23 | — | 333.97 | 29.679 | 724.30 | 163.79 |
| New York | 1.0000 | 1.0000 | 0.7193 | 0.7225 | 0.6033 | 0.3338 | 0.0165 | 0.6478 | 0.1804 |
| Paris | 6.7055 | 12.154 | 301.01 | — | 4.6255 | 309.28 | 14.577 | 270.27 | 81.62 |
| Zurich | 2.1002 | 3.2665 | 81.29 | 26.95 | 0.1361 | 72.795 | 4.0255 | — | 22.82 |
| 1 ECU | 0.8449 | 0.5443 | 2.2774 | 0.8772 | 1.2081 | 2.5472 | 45.781 | 1.8514 | 3.5008 |
| 1 SDR | 1.0495 | 0.6989 | 2.8123 | 0.8725 | 1.4793 | 31.456 | 54.6034 | 2.8878 | 10.1155 |

Dollar Values

| | \$ | £ | DM | FF | Y | Sc | DK | Sw | N |
|-------|--------|--------|--------|--------|--------|--------|---------|--------|---------|
| 1 ECU | 0.8449 | 0.5443 | 2.2774 | 0.8772 | 1.2081 | 2.5472 | 45.781 | 1.8514 | 3.5008 |
| 1 SDR | 1.0495 | 0.6989 | 2.8123 | 0.8725 | 1.4793 | 31.456 | 54.6034 | 2.8878 | 10.1155 |

(a) Commercial bank (b) Amounts needed to buy one pound (£) Units of 100 (c) Units of 1,000 (d) Not quoted; (e) Not available.

INTEREST RATES

Eurocurrency Deposits Aug. 30

| | Dollar | D-Mark | Swiss | Shilling | Pound | ECU | SDR |
|----|--------|--------|-------|----------|-------|--------|--------|
| 1M | 9 1/4 | 9 1/4 | 5 1/4 | 4 1/4 | 9 1/4 | 13 | 12 1/4 |
| 3M | 10 | 10 1/4 | 5 1/4 | 4 1/4 | 9 1/4 | 14 1/4 | 14 1/4 |
| 6M | 10 1/4 | 10 1/4 | 5 1/4 | 4 1/4 | 9 1/4 | 15 1/4 | 15 1/4 |
| 1Y | 10 1/4 | 11 | 5 1/4 | 4 1/4 | 9 1/4 | 16 1/4 | 16 1/4 |

Key Money Rates

| | United States | Close | Prev. | Britain | Close | Prev. |
|-------------------------|---------------|--------|-------|----------------------|--------|--------|
| Discount Rate | 8 1/2 | 8 1/2 | — | Bank Base Rate | 9 1/2 | 9 1/2 |
| Federal Funds | 11 1/4 | 11 1/4 | — | Call Money | 12 1/4 | 12 1/4 |
| Prime Rate | 14 1/4 | 14 1/4 | — | 91-day Treasury Bill | 12 1/4 | 12 1/4 |
| Broker Loan Rate | 10 1/4 | 10 1/4 | — | 3-month Interbank | 9 1/4 | 9 1/4 |
| Comm. Paper 30-179 days | 9 1/4 | 9 1/4 | — | — | — | — |
| 3-month Treasury Bills | 9 1/4 | 9 1/4 | — | — | — | — |
| 6-month Treasury Bills | 9 1/4 | 9 1/4 | — | — | — | — |
| CD's 30-59 days | 9 1/4 | 9 1/4 | — | — | — | — |
| CD's 60-99 days | 9 1/4 | 9 1/4 | — | — | — | — |

| | West Germany | Close | Prev. | Japan | Close | Prev. |
|---------------------|--------------|-------|-------|---------------------|-------|-------|
| Lombard Rate | 5 | 5 | — | Discount Rate | 5 1/2 | 5 1/2 |
| Overnight Rate | 5 1/2 | 5 1/2 | — | One Month Interbank | 5 1/2 | 5 1/2 |
| One Month Interbank | 5 1/2 | 5 1/2 | — | 3-month Interbank | 5 1/2 | 5 1/2 |
| 3-month Interbank | 5 1/2 | 5 1/2 | — | 6-month Interbank | 5 1/2 | 5 1/2 |
| 6-month Interbank | 5 1/2 | 5 1/2 | — | — | — | — |

Sources: Commercial Bank of Tokyo, Lloyds Bank.

Factory Orders in U.S. Declined 1.7% in July

WASHINGTON — New orders for factory-made goods slipped 1.7 percent in July from the previous month, the government said Tuesday, but a government economist said the economic recovery was not running out of steam.

The new orders for the month totaled \$175.5 billion, still the second-highest figure on record despite the decline, the Commerce Department said.

July's slowdown followed a strong 5.1 percent surge of orders in June after the latest revisions — which took the total to its highest for any month, \$178.5 billion. Durable-goods orders, when measured alone, climbed a revised 7 percent in June.

The orders in July determine the amount of goods that will be shipped in the next few months and influence the number of factory workers needed.

"A setback is never good news," the department's chief economist, Robert Ortner, said. "But not to worry. The dropoff in orders in July was a small decline compared with the growth we've had earlier this year."

The decline in factory orders was accompanied by a 0.4-percent rise in inventories. "It looks like the huge liquidations we've gone through have ended or are about to be over," Mr. Ortner said.

Rising inventories are another part of what economists consider a classic pattern of recovery. First consumer spending jumps, as hap-

pened in the second quarter. Then when spending slows down, as it has currently, the more rapid production and deliveries it inspired serve to refill retailers' shelves.

Eventually business starts to increase its capital spending, the still-awaited final stage of a mature recovery. While the pattern is recognizable it seems to be taking place far faster than in a typical recovery.

Shipments of manufactured goods were down \$800 million, or 0.5 percent, in July, the first drop in deliveries of goods since October. All figures are seasonally adjusted.

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BEGINNING EQUITIES OF \$100,000 ON JANUARY 1 OF EACH YEAR

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IN 1982: +32%

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OUR 57th YEAR

All of these Securities have been offered outside the United States. This announcement appears as a matter of record only.

New Issue / August 26, 1983

Phibro-Salomon Inc

Warrants Into Negotiable Government Securities (WINGS)

250,000 Warrants Expiring August 16, 1984 to Purchase \$250,000,000
Principal Amount of 10 1/2% U.S. Treasury Notes due May 15, 1993
at an Exercise Price of \$959.375 Per \$1,000 Note

250,000 Warrants Expiring August 16, 1984 to Purchase \$250,000,000
Principal Amount of 10 1/2% U.S. Treasury Bonds due November 15, 2012
at an Exercise Price of \$952.50 Per \$1,000 Bond

Salomon Brothers International

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| Hambros Bank Limited | Morgan Grenfell & Co. Limited | |
| Société Générale | Swiss Bank Corporation International Limited | |
| Union Bank of Switzerland (Securities) Limited | S. G. Warburg & Co. Ltd. | |

AMEX Most Active

| AMEX Stock Index | | | | |
|------------------|--------|--------|-----|-----|
| High | Low | Close | Chg | % |
| 228.80 | 225.80 | 227.71 | + | 0.1 |

| Stock | Div | Yld | PE | 52-Week High | 52-Week Low | Close | Quot |
|-------|-----|-----|----|--------------|-------------|-------|------|
|-------|-----|-----|----|--------------|-------------|-------|------|

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| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
|----------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| Quadrant | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(Continued on Page 1)

BUSINESS BRIEFS

Olivetti Says Group Revenue Rose 12% Despite Greater Competition

IREA, Italy (Reuters) — Olivetti said Tuesday that revenue rose in first half of 1983 despite a marked increase in international competition.

Group consolidated revenue increased 12 percent to 1,636 trillion lire (2 billion) from 1,465 trillion lire a year earlier.

Orders won by Olivetti in the Italian market in the first half rose to 4 billion lire from 534.1 billion a year earlier.

Mitsubishi May Bid on Egypt Project

OKYO (AP) — Mitsubishi Heavy Industries Ltd. is studying the possibility of joining Westinghouse Electric Corp. in a joint bid to build Egyptian nuclear power plants, a Japanese government official said today.

French and West German companies also are expected to bid for the project, whose estimated cost is \$1.5 billion. The plants are to be built by 1991 at El Dab'a, about 160 kilometers (100 miles) west of Alexandria.

Because of the high cost of the project, Westinghouse Electric has asked Mitsubishi to join the bid, which is expected in late September, the Japanese economic newspaper Nihon Keizai Shimbun said.

Canada's GNP Climbs at 7.2% Rate

OTTAWA (Reuters) — Canada's gross national product, adjusted for inflation, rose at an annual rate of 7.2 percent in the second quarter, the highest rate of increase as in the first quarter, Statistics Canada said today.

In last year's second quarter, GNP declined at a 1.4 percent pace. The momentum of the economic recovery was maintained from the first quarter and became more widespread as increases were recorded for major categories, except government expenditure and nonresidential construction, the agency said. The major source of strength in the second quarter was export demand, with merchandise exports rising 8.8 percent.

Warner-Lambert Makes Cancer Drug

WASHINGTON (Reuters) — Warner-Lambert Co. said it has developed a new anticancer antibiotic that has been effective against leukemia in small laboratory animals.

The company said the new experimental compound, CL-920, is produced by a micro-organism found in a soil sample collected in São Paulo. Warner-Lambert said it is continuing experimental work and plans clinical studies.

Raniff Creditors Approve Hyatt Plan

FORT WORTH, Texas (Reuters) — Raniff International Corp.'s creditors overwhelmingly approved the reorganization reached with Hyatt Corp. to revive the airline, officials of both companies said today.

The vote in various categories ranged from 73 percent to 100 percent. The secured creditors, the most important group balloting, approved the plan by 99.9 percent. Some unsecured bondholders raised objections to the voting, and U.S. Bankruptcy Court Judge John Flowers was airing their arguments before ruling on whether to confirm the vote.

Japan Trade Mission to Visit Taiwan

TAIPEI (Reuters) — A 230-member Japanese trade mission that is to visit in Taipei next Monday is expected to buy \$1 billion of Taiwanese products, Economics Ministry officials said Tuesday.

The mission, consisting mainly of businessmen, also is to discuss measures to reduce the trade imbalance between the two nations, which is \$2.11 billion in Japan's favor in 1982, they said.

The officials said the main products sold to the Japanese are expected to be tea, canned food, frozen fruit and sporting goods.

Daewoo to Produce Forklifts In South Korea for Caterpillar

By Sam Jameson

Los Angeles Times Service

SEOUL — In a U.S.-Korean business alliance designed to combat Japanese competition, Caterpillar Corp. will stop producing three models of small forklift trucks in the United States and buy them from a South Korean company beginning next year.

A Caterpillar plant at Mentor, Ohio, near Cleveland, which now produces the forklifts, will be closed at the end of 1984 after production at the Incheon plant of Daewoo Heavy Industries Ltd. begins next year, officials of both companies said.

Steve Newhouse, a Caterpillar spokesman at the company's headquarters in Peoria, Illinois, said 1,000 workers at the Ohio plant would be laid off and 300 engineering and marketing employees transferred to other jobs.

Mr. Newhouse said that the Ohio plant closing was part of a consolidation of the company's lift-truck operations and that it was "not correct to consider the Daewoo deal the cause of the shutdown."

Yoon Young Suk, president of Daewoo Heavy Industries, said the deal — to produce 4,000-pound (1,810-kilogram), 5,000-pound and 6,000-pound forklifts to Caterpillar's specifications for sale by Caterpillar anywhere except South Korea — would increase his company's exports by more than \$150 million a year when the Incheon plant reaches full production. Exports last year were \$72 million.

Mr. Yoon also said the sales agreement his company had signed with Towmotor Co., a wholly owned subsidiary of Caterpillar, called for Caterpillar to rely entirely on Daewoo for forklift trucks. Because of this, he said, "I am sure we can achieve \$150 million in sales by 1985 or 1986 — at least by 1986."

Chuh Eun Shik, executive vice president in charge of Daewoo's Incheon plant, said that the production target for Caterpillar was 10,000 units a year but that the companies were still discussing the first-year production figure.

The forklifts will not be marketed in South Korea because Daewoo sells similar models manufactured under license from Komatsu of Japan, Mr. Chuh said.

Daewoo, which makes 18 models of forklifts ranging in size from one to 15 tons, will build a new plant to manufacture the Caterpillar trucks, Mr. Chuh said. Daewoo will provide about 90 percent of the machinery for the plant, he added.

Mr. Newhouse said Caterpillar had informed the United Auto Workers last December that the company "could not continue to manufacture competitively at the Ohio plant because of industrywide overcapacity, decreased demand and intensive foreign competition."

Caterpillar, the third-largest maker of lift trucks in the United States, faces what Mr. Newhouse called "fierce competition" in the small-lift-truck field from Toyota and Nissan of Japan.

Mr. Newhouse said Caterpillar would continue to produce large lift trucks in Oregon and would consolidate midsize forklift production at Leicester, England.

After the Ohio plant is shut, it will be used as a distribution center for a year, dealing in products that Caterpillar imports from South Korea, England and Norway, Mr. Newhouse said.

Mr. Yoon said the Caterpillar deal was one of several steps that his company was taking to quibble exports by 1987. Daewoo's sales account for about 8 percent of South Korea's gross national product.

Mr. Yoon said Daewoo was planning "several other" deals to supply foreign companies with products under their brand names.

News on Mideast Pushes Dollar Up Sharply in N.Y.

United Press International

NEW YORK — Europeans bought dollars Tuesday on news that Prime Minister Menachem Begin of Israel would resign, then speculators jumped on the bandwagon to push the dollar sharply higher in New York.

"News of fighting by U.S. Marines also contributed" to the flight to dollars, a New York bank dealer said, referring to fighting in Lebanon. "Anything that smacks of more instability in the Middle East for sure never hurts the dollar."

The rise pushed the dollar through key technical levels just as the bond market fell back, signaling higher interest rates to foreign-exchange markets.

"Short-term, a lot of people are worried about much higher interest rates, even though the federal funds have stayed at 9 1/2 percent," said Varick Martin, manager of foreign-exchange operations for Wells Fargo International. "Over the longer haul, however, problems facing West Germany seem to be the driving force behind the dollar's continued strength."

In London the pound dropped to \$1.499 from \$1.5015 Friday, after a trading holiday Monday, and in New York it fell to \$1.496 from \$1.502 Monday. The dollar closed in Frankfurt at 2.694 DM, up from 2.6865 Monday, and traded late Tuesday in New York at 2.6955, up from 2.6775 Monday.

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Central Banker Urges Loan for IMF

By Hobart Rowen

Washington Post Service

WASHINGTON — Leading rich nations were urged Tuesday by a senior international banking figure to advance the Daewoo Monetary Fund at least \$6 billion on a temporary basis to ease the IMF's cash shortage before its regular resources are to be augmented next year.

Without an emergency infusion of \$6 billion to \$8 billion, IMF officials fear that they may not be able to meet all legitimate borrowing demands from Third World nations.

Lamberto Dini, managing director of the Bank of Italy, and chairman of a central bankers' committee discussing this problem, said in

a telephone interview from Rome that "in a situation like this, it is not reasonable for the IMF not to have the necessary reserves available."

He noted that "lending by the commercial banks to the less-developed countries has actually been negative" in the past few months, meaning that repayments have exceeded new loans.

Mr. Dini, chairman of the deputies of the Group of 10 rich industrial countries, said that he hoped his committee could act favorably on the emergency loan proposal in Paris on Sept. 15 and 16, in advance of the Group of 10 ministerial meeting in Washington Sept. 24. The annual IMF-World Bank meetings will take place Sept. 27-30.

The Italian banker anticipates a

preliminary discussion of his proposal among key central bankers at their meeting Sept. 12 in the Bank for International Settlements headquarters in Basel. European central banks, along with Japan and Canada, are being asked to advance at least \$3 billion, with another \$3 billion expected to come from Saudi Arabia.

The question of whether the IMF for the first time should be allowed to supplement its resources by borrowing in the private financial markets will also be brought up at the Group of 10 deputies' session. West German Finance Minister Gerhard Stoltenberg has already said his country is firmly opposed to this idea. U.S. officials have withheld comment, but are known to be more open-minded on the issue.

NYSE Traditions Thrive Amid Modernization

(Continued from Page 7)

cized not only as being obsolescent but also as being self-serving and monopolistic. For 183 years, until May 1, 1975, the exchange had instituted fixed commission rates on the purchase and sale of all shares, a lucrative system that by almost all accounts charged too much for trading large blocks of shares.

The exchange's system of specialists was said to be particularly anachronistic.

The specialists' jobs were, and are, frequently passed from father to son. In the case of the New York exchange, 409 individual specialists are grouped into 59 trading units, each handling about 26 stocks.

Orders to buy and sell shares are routed through the appropriate specialist on the exchange floor, and his job is to facilitate smooth trading, using his own capital to buy in times of weakness and sell in times of strength.

The thinking in the mid-1970s was that the specialists, and the attendant blizzard of paper and organized chaos on the exchange floor, could be replaced with some sort of "black box."

A variety of systems were discussed, but basically a huge central computer system would process buy and sell orders, automatically executing them at the best price, whoever may be offering it. The thought was to reduce the power of the specialists and narrow the spread between bid and offered prices by expanding the ranks of market makers.

But the exchange, a quasi-public, out-for-profit institution owned by the specialists and brokers who have bought seats, was not about to preside over its own decline.

Instead, it has moved deftly, introducing enough sophisticated electronics to calm at least some computer advocates, building sufficient capacity to avoid the paperwork crunches of the 1960s and taking a more conciliatory stand in public — all while protecting the specialists whose livings were at stake.

"They've done just a great job in improving the efficiency of the existing trading system," said James H. Lorie, a finance professor at the University of Chicago. "They have delayed successfully the day when we will have a truly modern stock-trading system."

At the same time, the heat from Washington has eased. In the Securities and Exchange Act Amendments of 1975, Congress mandated, without much elaboration, a national market system in which all

buy and sell orders would freely compete and in which market makers would intervene infrequently.

But even before deregulation became fashionable, the Securities and Exchange Commission insisted on moving cautiously, mindful of its marching orders from Congress yet fearful of wrecking rather than improving a system that has let investors buy and sell securities so easily and rapidly.

The changes that have been made at the New York exchange are widely credited to William M. Batten, 74, a retired chairman of J.C. Penney & Co., who became chairman of the exchange in 1976.

Perhaps chief among Mr. Batten's accomplishments is the peace he has made with many of the exchange's critics. His predecessor, James J. Neidham, was considered to have a somewhat abrasive style that sometimes irked his own board. But Mr. Batten is known as a low-key diplomat who has worked quietly behind the scenes and has tempered some of the Big Board's more parochial interests.

Some of Mr. Batten's compromises are clearly visible on the exchange floor today.

In the last three or so years, the exchange has spent about \$70 million for sophisticated electronic equipment and refurbishing the trading floor. New computers have been installed to execute trades and report them to the brokerage firms and the public more quickly. And the 22 cramped trading posts on the floor have been replaced by 14 sleek new ones with more room for the new electronics.

Improvements are continuing. The exchange is now putting in the computer equipment capable of handling trading of 250 million shares a day by the end of 1984.

Some questions, however, have been raised about whether the SEC

Singapore to Get Diamond Market

United Press International

SINGAPORE — A diamond exchange will be opened in Singapore by Jan. 1, officials said Tuesday.

An official of the Diamond Importers Association of Singapore predicted the exchange would make the country one of the fastest growing diamond markets in the world.

The association, a member of the World Federation of Diamond Bourses, spent five years preparing for the opening of an exchange, the official said.



John J. Phelan Jr.

NYSE Begins Search for New Chief

New York Times Service

NEW YORK — The 22 members and directors of the New York Stock Exchange are starting to congregate for a replacement for William M. Batten, the exchange's 74-year-old chairman and chief executive, whose contract expires next May.

Many people on Wall Street regard John J. Phelan Jr., the president and No. 2 man at the exchange, as a strong contender. But we are ready to say the race is over.

William Milfred Batten, nicknamed Mil, became the Big Board's paid chairman in April 1976. His original five-year, \$2-million contract was to have expired in May 1981 but was extended three years in recognition of his accomplishments.

Mr. Phelan, 52, a former specialist on the trading floor and the son of a specialist, became the exchange's full-time president and chief operating officer in May 1980. Known as being somewhat staid, he has been intimately involved in the modernizing of the exchange and is popular among several present and former directors.

According to Martha Redfield, a director whose term expired in May, Mr. Phelan is likely to be promoted, although he may end up sharing the top spot with someone who is more closely associated with business and government.

A former director, who asked not to be identified, said, "I think if I had any kind of vote while I was on the board, John Phelan was an overwhelming favorite."

Thursdays in the Trib

News from the trading floor in

Edward Rohrbach's Wall Street Watch

"New York is pretty sound," he said. "There's nothing really hot on the horizon. It's back to basics, worrying about surveillance and processing."

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SPORTS

Starting Title Quest, Nebraska Routs Penn St., 44-6

NEW YORK — Penn State, last year's No. 1 team, opened the 1983 U.S. college football season Monday night by absorbing a 44-6 pounding from Nebraska, the favorite to succeed the Nittany Lions as the country's top team.

In East Rutherford, New Jersey, quarterbacks Turner Gill and Nate Mason ran and passed for a touchdown apiece in the earliest season-opener in history. The 38-point margin equaled Penn State's worst loss since Coach Joe Paterno took over in 1966, the year UCLA blasted the Nittany Lions, 49-11.

With that notable start, college football's 115th season may well be remembered as the one with as many good quarterbacks as there have been in one season since the forward pass was made legal in 1906. It could be a second straight season for record passing; last year was the first ever in which major-team passing yardage exceeded rushing totals — 364.8 yards per game to 338.5.

A season preview:

East
Despite its 0-1 record, Penn State should continue as the region's best. Kenny Jackson is a fine receiver and the defense is led by a superb linebacker, Scott Radecki. But no one can expect another Todd Blackledge at quarterback or a running back to match Curt Warner, the school's career leading rusher who is now a National Football League rookie.

Pittsburgh will probably slip a bit from 1982 runner-up in the East because West Virginia has considerable strength and Boston College should have another good year. Jeff Hostetler (1,798 yards passing in 1982) and Doug Flutie (3,019 total offense) continue at West Virginia and B.C., respectively, and are two of the three best quarterbacks in the East. The third is Tim Rixard of Temple (1,840 yards passing last year).

Hostetler has an experienced offense. The UWF defense is sound and the kicking game is one of the nation's best. B.C.'s Flutie generates more problems than most defenses can handle, and the 5-foot-10-inch scrambling passer has at least six good runs. Linebacker Steve DeLoe leads a solid defense.

As Pitt waits for an offense to grow around a

successor to quarterback Dan Marino, a defense led by Tom Flynn and Troy Hill in the secondary and tackle Bill Maas will keep the Panthers competitive. Bill Fralic, a junior offensive tackle, should make it easier for Pitt's young backs to blossom quickly.

South

"Yes, we could be as good as anybody," says Coach Bobby Bowden of Florida State. But that might also be true for a lot of other Southern teams.

The Seminoles should challenge for No. 1 with tailback Greg Allen (the nation's top scorer last year with 21 touchdowns), quarterback Kelly Lowrey and defensive tackle Alphonso Carriker. There are eight starters back on offense and eight on defense.

Auburn is another team that will make a run at the top, but it will face a strong Southeastern Conference

COLLEGE FOOTBALL PREVIEW

slate as well as Southern Mississippi, Texas, Florida State and Maryland. Bo Jackson (6.5 yards a carry as a 1982 freshman) is one of the region's best running backs and in Donnell Humphrey and Doug Smith Auburn has defensive tackles as good as any. The Walter Lewis-Jesse Bendoric passing combination may be the best in the SEC.

Tennessee Coach Johnny Majors has finally found a solid quarterback in Alan Cookrell (2,021 yards passing in 1982). The kickers — Jimmy Collier (46.9 yards per punt in 1982) and Faud Revez (27 field goals last year) — are splendid.

Florida should again flourish under quarterback Wayne Pease (2,053 yards passing last year). Georgia will definitely miss running back Herschel Walker, who gave up his final year of eligibility to turn pro. Terry Hoage, the rover back, is the team's best player.

North Carolina may be the strongest team in the South. Coach Dick Crum again has a good defense and he continues to have tailback strength in Tyrone Anthony and Eban Horton, successors to Kelvin Bryant. Left-handed quarterback Boomer Eason gives Maryland a chance to challenge North Carolina for the Atlantic Coast Conference title.

Joe McIntosh is a spectacular ball carrier for North Carolina State, and Clemson, unable to get a post-

season bowl next winter, will be strong largely because of its defense, built around middle guard William Perry.

Midwest

Nebraska is on its way. Monday's hammering of Penn State had to be a confidence-builder — if one was needed. No other team is returning an offensive backfield with three better players than quarterback Gill (1,679 yards total offense in 1982), tailback Mike Rozier (1,689 yards rushing and 15 touchdowns) and wingback Irving Fryar (24 receptions). No other team came close last season to Nebraska's total offense of 518.6 yards a game, its 394.3 yards rushing or its 41.1 points a game.

Oklahoma, now operating out of an 11 instead of a wishbone, has Marcus Dymore (905 yards rushing as a freshman) and its usual complement of strong linemen, so the Sooners will be a threat. The No. 1 ranking could be decided Nov. 26 when they and the Cornhuskers meet in Norman, Oklahoma.

The remainder of the Big Eight poses little threat to those two. Oklahoma State's Ernest Anderson, who led the nation in rushing with 1,877 yards last year, will probably carry the Cowboys to third place.

Notre Dame has its best opportunity for a big season since Gerry Faust became coach in 1981. Blair Kiel will be in his final season as quarterback. A new attack may show some triple option, and tailbacks Allen Robinson and Greg Bell are back from injuries. All-American candidates are Mike Kelley at center, Larry Williams at offensive tackle and Stacy Toran at cornerback.

The Big Ten Conference is loaded with good quarterbacks — Mike Tomczak at Ohio State, Scott Campbell at Purdue, Brady Wright at Wisconsin, Steve Smith at Michigan, Chuck Long at Iowa and Sandy Schwall at Northwestern.

Ohio State appears to be the conference power after winning its last seven games of 1982 and returning seven starters on offense and seven on defense among 43 lettermen. Iowa, finally stronger on offense than defense, and Michigan should be Ohio State's biggest in-conference problems.

Southwest

Southern Methodist has not lost in its last 16 games

(15 victories and a tie), but no longer does it have premier running backs Craig James and Eric Dickerson. The Mustangs do have Lance McIlbenny returning at quarterback and many players who helped build the nation's longest current undefeated streak.

But Texas, with an excellent defense anchored by linebacker Jeff Leiding, is favored to win the Southwest Conference title, and SMU might not even present the Longhorns' strongest challenge. Texas A&M is overflowing with running backs, and Coach Jackie Sherrill is also optimistic because John Mazur, a transfer from Southern Cal, will start at quarterback.

Far West

Quarterback talent remains rich in the Pacific 10 Conference, the pass-happy Western Athletic Conference and the Pacific Coast Athletic Association. The best in the WAC are Steve Young of Brigham Young (3,100 yards passing in 1982), Mark McKay of San Diego State (1,985 yards passing), Marty Lathan of Air Force (2,133 yards total offense) and Terry Nugent of Colorado State (2,590 yards passing).

Tom Tunnicliffe of Arizona (2,530 yards passing) is the leader in the Pac-10 and Todd Dillon of Long Beach State (3,517 yards passing) is the best in the PCAA. Last season, Dillon and Young were first and second in the nation in total offense, at 3,587 and 3,507 yards, respectively.

Tunnicliffe will be throwing for a team with oomph to go since the Wildcats are on probation. But Arizona may still have the best record of any team in the Pac-10 since it does not play Southern Cal, USC, with a new coach in Ted Tollner, is also on probation and unable to play in a bowl game.

That leaves UCLA and Washington as probable favorites to get to the Rose Bowl. The edge should go to the Huskies because of tailback Jacques Robinson (926 yards rushing as a sophomore in 1982) and Don James, probably the best coach in the Pac-10.

Brigham Young has the most impressive pass-and-catch pair in the region with Young throwing to tight end Gordon Hudson, who caught 67 passes for 928 yards last year. But New Mexico, which surprised everyone with a 10-1 record and on bowl bid last year, is capable of threatening Brigham Young's defense of the WAC title.



in State linebacker Scott Radecki stopped Mike Rozier of the goal on this first-period play, but Nebraska went to bury the Nittany Lions, 44-6, in the U.S. college football opener Monday in East Rutherford, New Jersey. Linebacker Rozier carried 16 times for 71 yards on the night.

974's Last Candle Flickers Out

International Herald Tribune

ONDON — With the retirement of Cologne's last player, the last time can be over the first-class playing card of every member of West Germany's 1974 world champion team. The 31, the seventh member of that supremely athletic team, died at his home in Cologne on Monday.

He was the baby of the 1974 carefully nurtured through his

and in spring into the World

cup, the final in which the Olympiad, Bonhof vital to a combined technical

science we have not since seen

and may not see again.

Germany beat the Netherlands

breakthrough total football

high astonishingly accurate

work — 211 of 254 West German

passes found their men. One

of Jürgen Grabowski in the 43d

of the flank. The spirit speed that

characterized Bonhof's school

left Arrie Haan stranded and

the famous of West German goals

managed to convert it into

most famous goal, the one that

the World Cup.

Over the next 50 internationals,

he proved far more than a

tor who could burst from

de to attack like a whisper from

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Over the next 50 internationals,

he proved far more than a

tor who could burst from

men and, a week ago, he surrendered the unequal struggle against a debilitating leg injury.

You may wonder whether he was a marked man or merely a tender athlete better suited physically to the Olympic pursuits of sprinting, long jumping and even cross-country running of his high school days?

Yet the fact that he endured as long as most of his World Cup

contemporaries, and longer than

most, raises more chilling questions.

In the pace and ferocity of soccer

ow such that, at 30, a man's bones

and tissue are too vulnerable to

stand the pace?

Is the modern game so violent

that anyone who makes a reputation

is bound to become a casualty?

Are players being burned out

through the sheer expense in the

number of games which, for financial

ground, spread each season into a

year-round schedule?

Or was the 1974 team simply

lucky? The legacy of West Germany's

finest eleven is indeed fearful.

Goalie Sepp Maier's destructive

injuries came from a car crash, but

others were ruined at "play."

Right back Bert Vogts was 31

when his leg was broken in three

places and his ligaments severely

damaged. He was three short of his

century in internationals.

Center back Franz Becken-

bauer and Hans-Gregor Schwarzen-

back have both had Achilles ten-

doscopy — Beckenbauer's

admittedly following his voluntary

switch to the synthetic turf of the

synthetic North American Soccer

League, which gives the illusion of

prolonging an illustrious career.

Left back Paul Breitner quit in

the spring, he too 31, another rid-

dled with knee and other inju-

ries stemming (again) from years in

the Spanish League.

If defenders proved so vulner-

able, midfield engineers and forward

runners were bound to suffer. And

they did. None more so than Uli

Hoess, victim of so serious a knee

injury during the 1975 European

Cup final against Leeds United in

Paris that, at 27, he was a former

sports player (one fortunate, in

having university qualifications,

to become general manager at Bayern

Munich). Wolfgang Overath, the

orchestrator who won his place

when Ginter Netzer was injured,

retired from internationals shortly

after the 1974 final but struggled

against, nagging injuries. He did

Grabowski and the winger Bernd

Holzenbein.

And even Müller, built like an ox

and confined to his own incompar-

able short-range goal-poaching,

quit top-class soccer prematurely

to knock in goals in the United

States following a back operation.

That leaves, or left until a week ago,

Bonhof. The last green bottle has

fallen.

Perhaps it is inevitable that the

quitting demands of our instant

age should whittle down a sports-

man's prime to eight years or so.

But the real intensity of a commer-

cially accelerated disregard for

the graduated steps toward full in-

ternational status are off. In the next

generation, Bernd Schuster became,

in his teens, the enfant terrible of

the national team. I have lost count of

the ankle and knee operations he

has had, both before and since join-

ing Barcelona.

In Britain, ever younger, there is

Norman Whiteside. He represented

Northern Ireland in the 1982

World Cup a few weeks after his

17th birthday and, with Manchester

OBSERVER

Count Your Miseries

By Russell Baker
NEW YORK — Here is a postcard from Sheila and Dick. They are in Athens, having a wonderful time. They saw the moon over the Acropolis. It was fantastic. I should have seen it.

Of course I should have seen it, but I couldn't, could I? It's impossible to see the moon over the Acropolis if you're stuck in Manhattan with an air-conditioner blocking the only windows in the room. Sheila and Dick know that, so why did they bother to send a postcard? Here's one from Belle and Ollie. Judging from the picture, they are renting the Rocky Mountains for the summer. It's really cool there. Have to wear sweaters every night. They bet I'm really suffering in bed, steamy New York.

That's Belle and Ollie for you. They only bet on sure things. They know for an absolute fact that I'm really suffering in bed, steamy New York.

If you really care about somebody who is suffering, you don't send them a gloating postcard. You send them a letter to cheer them up.

Here's a postcard from Sam, who goes around on yachts. Every summer he manages to ingratiate himself into becoming the yacht guest of somebody who has beaten the income tax. This summer he is guesting on the bracing water off Maine.

Sam warned me that he would send a postcard. "I'll send you a card," he said. "I don't want a card," I said. "I want your tax-chisel friend to send me an envelope stuffed with cash enough to go to Athens. I want to see the moon over the Acropolis."

Sam sent the card anyhow. After four weeks on yachtboard, he hasn't been mugged once, he says. "Hah hah."

Anyone who didn't know Sam well might think his "Hah hah" was a subtle way of expressing satisfaction at the thought of his friends back in New York being mugged twice a night. This is not the case. Sam is just one of those people who develop writers' block when they see all that blank space to be filled on the back of postcards. So he writes "Hah hah" a lot to get his money's worth out of the stamp.

I once had a postcard from Sam

in Jamaica. It was February. He was yacht-guesting around the Caribbean and paused at Jamaica to read the papers reporting a blizzard in New York. His card said, "Don't get sunburned," followed by 14 "Hah hahs."

It's strange about postcards: people only feel the urge to send them from elegant surroundings. Take Sheila, for instance, who is in Athens seeing what I should have seen; to wit, the moon over the Acropolis. Sheila goes down to Trenton three or four times a year.

The moon shines on the Amtrak station at Trenton just as it shines on the Acropolis, but I have yet to receive a card from Sheila announcing that she has seen the moon over the Trenton Amtrak station.

Another curiosity is that nobody ever sends a postcard to let you know when the vacation is a disaster. Two years ago Belle hauled Ollie out to India to see the moon over the Taj Mahal.

She failed to reckon with Ollie's terror of snakes. On arrival in Agra, their car was approached by a rowing snake showman wearing some 20 feet of python around his waist and thrusting the other eight feet proudly in front of him.

The man's only purpose was to cage a rupee or two from Ollie by letting him admire and stroke the snake, but as he approached the car, obviously intending to thrust six feet of serpent through the open window for Ollie's admiration, Ollie screamed, "For God's sake, close the window!"

The snake man, thinking Belle and Ollie were being coy and wanted to be coaxed out of the sealed machine, spent what seemed like years to Ollie thrusting his pet against the glass and grinning proudly at its muscularity. Since the temperature that night was 120 degrees in the moonlight, Ollie and Sheila finally had to be removed by stretcher bearers. On leaving the hospital Ollie insisted on flying at once to Ireland where, he had heard, St. Patrick had rid the landscape of reptiles.

The only card I had from them came from Ireland. They had seen the mist over Galway Bay. It was fantastic. I should have seen it.

New York Times Service

Testing Your HQ — Humor Quotient

By Sandra Blakeslee
New York Times Service

ANAHEIM, California — A team of California psychologists has developed a sense-of-humor test that they believe may eventually shed light on the fundamental nature of human personality.

The device, which they say bears some similarity to an intelligence test, is intended to operate on the premise that if we understand who will laugh at what and why, we can learn more about our important differences.

"The object of the test is not to say if you have a good or bad sense of humor, but to assess the type of humor you like and the role it plays in your personality," said Harvey Q. Mindes, a psychologist who unveiled the test here last week at the annual American Psychological Association convention.

The Antioch West College professor led a symposium on humor with his colleagues Suzanne Corbin, Carolyn Miller, Amanda Bender and Joy Turek, the team that developed the measure.

Most theories of humor conclude that incongruity is an essential element of its success. And psychologists suggest that reactions to this incongruity in humor can help pinpoint important areas of mental flexibility or inflexibility. Bender said, "Since incongruity involves an unexpected shift of outlook, we may infer that what people find funny indicates where their ideas or belief systems are flexible."

Part One of the Sense of Humor Inventory contains 40 jokes (11 are cartoons) representing 10 categories of humor: nonsense, philosophical, social satire, ethnic, sexual, technological, hostile, degrading to men, degrading to women and sick.

A panel of judges screened hundreds of jokes. Mindes said, to come up with four "rather pure samples of each joke category."

People taking the test were asked to rate each joke on a scale of one to five, ranging from "didn't enjoy it at all" to "enjoyed it very much." They also took a test, called the 16 Personality Factor Test, developed in the 1950s to assay personality traits.

The results were statistically correlated to find out what kind of person liked what kind of joke.

For example, the test classified this joke as "philosophical." A man falling from a cliff grabs a protruding rock. Hanging in midair, he cries to heaven: "Is anyone out there?"

A voice responds: "Yes, my son. Let me and I will bear thee up."

The man hesitates, then cries out: "Anyone else?"

Those with a proclivity for philosophical jokes, such as the one about the man clinging to the cliff, tend to be impulsive, enthusiastic, cheerful, expressive and alert, according to the psychologists. Such people are secure in

their belief systems and, because they are able to laugh at themselves and the human condition, may have the "healthiest" sense of humor.

Jokes that degrade women and men seem to correlate with the personality characteristic called "tough poise." Such people tend to be aloof and believe stereotypes of the opposite sex are true.

A cartoon depicting a woman jacking up the wrong end of a car to fix a flat tire is "only funny if you really believe women are stupid," Miller said.

The test also included such jokes as: A blind man with a guide dog enters a department store, picks up his dog by the tail and swings the animal over his head. A clerk hurries over and says: "May I help you, sir?" The blind man replies: "No thanks, I'm just looking around."

The psychologists found that such "sick" jokes do not necessarily appeal to people with sadistic or insensitive natures, but rather to those who are "impulsive, enthusiastic, cheerful, frank and expressive."

Nonsense jokes ("What does a grape say

"The object of the test is not to say if you have a good or bad sense of humor, but to assess the type of humor you like and the role it plays in your personality"

when you step on it?" "Nothing. It just gives a little wine.") appeal to people whose personalities are more "self-assured" than "aprehensive."

A liking for social satire jokes correlates with suspiciousness, the psychologists said. Examples of such jokes are: "Military intelligence is a contradiction in terms" and "The trouble with political jokes is that they often get excited." People who laugh at such jokes, the psychologists say, tend to have personalities that are "jealous, dogmatic, tyrannical and irritable."

But these same people may also score as "imaginative" people "absorbed in ideas and theories." Such people are unconventional and it is reasonable they would enjoy social satire, Bender said.

Ethnic jokes are appreciated by "tough-minded realists," she continued. They are "unsentimental, cynical and reject illusions." People who like ethnic humor are likely to say boldly that there is truth in national or racial stereotypes, Miller said, but "it is generally true that you won't laugh at a joke made about a stereotype you don't agree with."



Recovery workers examine the anchor of the Monitor, the Civil War ironclad that changed the history of naval warfare before sinking in a gale more than 120 years ago. The anchor, recovered Monday off North Carolina, was the first major element of the Monitor to be salvaged since the Union vessel was found 10 years ago, 230 feet down in the Atlantic Ocean about 15 miles southeast of Cape Hatteras. On March 9, 1862, the Monitor battled the Virginia, the Confederate ironclad originally named the Merrimack, for four hours, ending the era of wooden warships.

PEOPLE

Cycling 1,600 Miles for a Job

An unemployed man, his wife and their three children bicycled 1,600 miles from Massachusetts to New Orleans, hitting town with 15 cents and a lot of optimism. James and Miriam Atkins and their children — the youngest 17 months old — struggled into New Orleans after more than eight weeks of pedaling. Despite the lack of funds, Atkins rejected any notion of poverty. "I have a family. How can I be poor?" said Atkins, who worked in New Orleans in the late 1970s as a salesman in a cabinet warehouse. "A poor man is a pessimist and I have always been an optimist." The family, traveling on three bicycles with the two youngest children riding behind mom and dad, survived cracks in the roads, the Blue Ridge

Mountains of Virginia, loose gravel and sand, traffic in front, traffic behind and unrelenting heat. "I don't think I will have a hard time finding a job," said Atkins, whose position at a Springfield, Massachusetts, wire mill a year ago and has been unemployed or working out of labor pools ever since. Atkins admitted there were a couple of intimidating moments during the journey. Once, he needed some stitches in his eye and three in his leg. He had to go to a hospital. "I flipped over on a railroad track. On another occasion, someone tried to run them off the road. This guy came out of a bar in New Jersey or New York and I don't know for sure if he was trying to hit us deliberately but I think he was."

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